

AMENDED IN ASSEMBLY MAY 13, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 359

**Introduced by Assembly Member Holden
(Principal coauthor: Assembly Member Allen)**

February 14, 2013

An act to amend Section 1936 of the Civil Code, relating to vehicle rental agreements.

LEGISLATIVE COUNSEL'S DIGEST

AB 359, as amended, Holden. Vehicle rental agreements: customer facility charge.

Existing law governs contracts between rental car companies and their customers. Existing law authorizes a company that rents passenger vehicles to the public to collect a customer facility charge, which means a fee that is required by an airport to be collected to finance, design, and construct airport car rental facilities, transportation systems, and terminal modifications, if specified circumstances apply. Existing law requires the aggregate amount collected from customer facility charges not exceed the reasonable costs, determined based on an independent audit, to finance, design, and construct those facilities. *Existing law requires the audit to be conducted prior to the collection of the customer facility charge, prior to any increase of the charge, and every 3 years after the initial collection of the charge.*

~~This bill would remove the audit requirement in relation to determining the aggregate amount of the customer facility charge and would make related revisions~~ *provide guidelines regarding the scope of the audit, would require the audit to be posted on the airport's Internet Web site, and would limit the requirement to conduct the audit*

every 3 years to those instances where the customer facility charge is used to either operate a common-use transportation system or acquire vehicles for that system.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 1936 of the Civil Code, as amended by*
2 *Section 2 of Chapter 32 of the Statutes of 2012, is amended to*
3 *read:*

4 1936. (a) For the purpose of this section, the following
5 definitions shall apply:

6 (1) “Rental company” means a person or entity in the business
7 of renting passenger vehicles to the public.

8 (2) “Renter” means any person in a manner obligated under a
9 contract for the lease or hire of a passenger vehicle from a rental
10 company for a period of less than 30 days.

11 (3) “Authorized driver” means (A) the renter, (B) the renter’s
12 spouse if that person is a licensed driver and satisfies the rental
13 company’s minimum age requirement, (C) the renter’s employer
14 or coworker if he or she is engaged in business activity with the
15 renter, is a licensed driver, and satisfies the rental company’s
16 minimum age requirement, and (D) a person expressly listed by
17 the rental company on the renter’s contract as an authorized driver.

18 (4) (A) “Customer facility charge” means any fee, including
19 an alternative fee, required by an airport to be collected by a rental
20 company from a renter for any of the following purposes:

21 (i) To finance, design, and construct consolidated airport car
22 rental facilities.

23 (ii) To finance, design, construct, and operate common-use
24 transportation systems that move passengers between airport
25 terminals and those consolidated car rental facilities, and acquire
26 vehicles for use in that system.

27 (iii) To finance, design, and construct terminal modifications
28 solely to accommodate and provide customer access to
29 common-use transportation systems.

30 (B) The aggregate amount to be collected shall not exceed the
31 reasonable costs, as determined by an ~~independent~~ audit, *by an*
32 *independent auditor*, paid for by the airport, to finance, design,

1 and construct those facilities. *The auditor shall independently*
2 *examine and substantiate the necessity for and the amount of the*
3 *customer facility charge, including whether the airport's actual*
4 *or projected costs are supported and justified, any steps the airport*
5 *may take to limit costs, potential alternatives for meeting the*
6 *airport's revenue needs other than the collection of the fee, and*
7 *whether and to what extent car rental companies or other*
8 *businesses or individuals using the facility or common-use*
9 *transportation system may pay for the costs associated with these*
10 *facilities and systems other than the fee from rental customers, or*
11 *whether the airport did not comply with any provision of this*
12 *subparagraph. Copies of the audit shall be provided to the*
13 *Assembly and Senate Committees on Judiciary, the Assembly*
14 *Committee on Transportation, and the Senate Committee on*
15 *Transportation and Housing and shall be posted on the airport's*
16 *Internet Web site. In the case of a transportation system, the audit*
17 *also shall consider the reasonable costs of providing the transit*
18 *system or busing network pursuant to clause (ii) of subparagraph*
19 *(A). Any audit required by this subparagraph may be included as*
20 *a part of an audit of an airport's finances. Notwithstanding clause*
21 *(iii) of subparagraph (A), the fees designated as a customer facility*
22 *charge shall not be used to pay for terminal expansion, gate*
23 *expansion, runway expansion, changes in hours of operation, or*
24 *changes in the number of flights arriving or departing from the*
25 *airport.*

26 (C) Except as provided in subparagraph (D), the authorization
27 given pursuant to this section for an airport to impose a customer
28 facility charge shall become inoperative when the bonds used for
29 financing are paid.

30 (D) If a bond or other form of indebtedness is not used for
31 financing, or the bond or other form of indebtedness used for
32 financing has been paid, the Oakland International Airport may
33 require the collection of a customer facility charge for a period of
34 up to 10 years from the imposition of the charge for the purposes
35 allowed by, and subject to the conditions imposed by, this section.

36 (5) "Damage waiver" means a rental company's agreement not
37 to hold a renter liable for all or any portion of any damage or loss
38 related to the rented vehicle, any loss of use of the rented vehicle,
39 or any storage, impound, towing, or administrative charges.

(6) “Electronic surveillance technology” means a technological method or system used to observe, monitor, or collect information, including telematics, Global Positioning System (GPS), wireless technology, or location-based technologies. “Electronic surveillance technology” does not include event data recorders (EDR), sensing and diagnostic modules (SDM), or other systems that are used either:

(A) For the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on the rental vehicle.

(B) As part of the vehicle’s airbag sensing and diagnostic system in order to capture safety systems-related data for retrieval after a crash has occurred or in the event that the collision sensors are activated to prepare the decisionmaking computer to make the determination to deploy or not to deploy the airbag.

(7) “Estimated time for replacement” means the number of hours of labor, or fraction thereof, needed to replace damaged vehicle parts as set forth in collision damage estimating guides generally used in the vehicle repair business and commonly known as “crash books.”

(8) “Estimated time for repair” means a good faith estimate of the reasonable number of hours of labor, or fraction thereof, needed to repair damaged vehicle parts.

(9) “Membership program” means a service offered by a rental company that permits customers to bypass the rental counter and go directly to the car previously reserved. A membership program shall meet all of the following requirements:

(A) The renter initiates enrollment by completing an application on which the renter can specify a preference for type of vehicle and acceptance or declination of optional services.

(B) The rental company fully discloses, prior to the enrollee’s first rental as a participant in the program, all terms and conditions of the rental agreement as well as all required disclosures.

(C) The renter may terminate enrollment at any time.

(D) The rental company fully explains to the renter that designated preferences, as well as acceptance or declination of optional services, may be changed by the renter at any time for the next and future rentals.

(E) An employee designated to receive the form specified in subparagraph (C) of paragraph (1) of subdivision (t) is present at

1 the lot where the renter takes possession of the car, to receive any
2 change in the rental agreement from the renter.

3 (10) "Passenger vehicle" means a passenger vehicle as defined
4 in Section 465 of the Vehicle Code.

5 (b) Except as limited by subdivision (c), a rental company and
6 a renter may agree that the renter will be responsible for no more
7 than all of the following:

8 (1) Physical or mechanical damage to the rented vehicle up to
9 its fair market value, as determined in the customary market for
10 the sale of that vehicle, resulting from collision regardless of the
11 cause of the damage.

12 (2) Loss due to theft of the rented vehicle up to its fair market
13 value, as determined in the customary market for the sale of that
14 vehicle, provided that the rental company establishes by clear and
15 convincing evidence that the renter or the authorized driver failed
16 to exercise ordinary care while in possession of the vehicle. In
17 addition, the renter shall be presumed to have no liability for any
18 loss due to theft if (A) an authorized driver has possession of the
19 ignition key furnished by the rental company or an authorized
20 driver establishes that the ignition key furnished by the rental
21 company was not in the vehicle at the time of the theft, and (B) an
22 authorized driver files an official report of the theft with the police
23 or other law enforcement agency within 24 hours of learning of
24 the theft and reasonably cooperates with the rental company and
25 the police or other law enforcement agency in providing
26 information concerning the theft. The presumption set forth in this
27 paragraph is a presumption affecting the burden of proof which
28 the rental company may rebut by establishing that an authorized
29 driver committed, or aided and abetted the commission of, the
30 theft.

31 (3) Physical damage to the rented vehicle up to its fair market
32 value, as determined in the customary market for the sale of that
33 vehicle, resulting from vandalism occurring after, or in connection
34 with, the theft of the rented vehicle. However, the renter shall have
35 no liability for any damage due to vandalism if the renter would
36 have no liability for theft pursuant to paragraph (2).

37 (4) Physical damage to the rented vehicle up to a total of five
38 hundred dollars (\$500) resulting from vandalism unrelated to the
39 theft of the rented vehicle.

1 (5) Actual charges for towing, storage, and impound fees paid
2 by the rental company if the renter is liable for damage or loss.

3 (6) An administrative charge, which shall include the cost of
4 appraisal and all other costs and expenses incident to the damage,
5 loss, repair, or replacement of the rented vehicle.

6 (c) The total amount of the renter's liability to the rental
7 company resulting from damage to the rented vehicle shall not
8 exceed the sum of the following:

9 (1) The estimated cost of parts which the rental company would
10 have to pay to replace damaged vehicle parts. All discounts and
11 price reductions or adjustments that are or will be received by the
12 rental company shall be subtracted from the estimate to the extent
13 not already incorporated in the estimate, or otherwise promptly
14 credited or refunded to the renter.

15 (2) The estimated cost of labor to replace damaged vehicle parts,
16 which shall not exceed the product of (A) the rate for labor usually
17 paid by the rental company to replace vehicle parts of the type that
18 were damaged and (B) the estimated time for replacement. All
19 discounts and price reductions or adjustments that are or will be
20 received by the rental company shall be subtracted from the
21 estimate to the extent not already incorporated in the estimate, or
22 otherwise promptly credited or refunded to the renter.

23 (3) (A) The estimated cost of labor to repair damaged vehicle
24 parts, which shall not exceed the lesser of the following:

25 (i) The product of the rate for labor usually paid by the rental
26 company to repair vehicle parts of the type that were damaged and
27 the estimated time for repair.

28 (ii) The sum of the estimated labor and parts costs determined
29 under paragraphs (1) and (2) to replace the same vehicle parts.

30 (B) All discounts and price reductions or adjustments that are
31 or will be received by the rental company shall be subtracted from
32 the estimate to the extent not already incorporated in the estimate,
33 or otherwise promptly credited or refunded to the renter.

34 (4) For the purpose of converting the estimated time for repair
35 into the same units of time in which the rental rate is expressed, a
36 day shall be deemed to consist of eight hours.

37 (5) Actual charges for towing, storage, and impound fees paid
38 by the rental company.

39 (6) The administrative charge described in paragraph (6) of
40 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total

1 estimated cost for parts and labor is more than one hundred dollars
2 (\$100) up to and including five hundred dollars (\$500), (B) one
3 hundred dollars (\$100) if the total estimated cost for parts and
4 labor exceeds five hundred dollars (\$500) up to and including one
5 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
6 dollars (\$150) if the total estimated cost for parts and labor exceeds
7 one thousand five hundred dollars (\$1,500). An administrative
8 charge shall not be imposed if the total estimated cost of parts and
9 labor is one hundred dollars (\$100) or less.

10 (d) (1) The total amount of an authorized driver's liability to
11 the rental company, if any, for damage occurring during the
12 authorized driver's operation of the rented vehicle shall not exceed
13 the amount of the renter's liability under subdivision (c).

14 (2) A rental company shall not recover from the renter or other
15 authorized driver an amount exceeding the renter's liability under
16 subdivision (c).

17 (3) A claim against a renter resulting from damage or loss,
18 excluding loss of use, to a rental vehicle shall be reasonably and
19 rationally related to the actual loss incurred. A rental company
20 shall mitigate damages where possible and shall not assert or collect
21 a claim for physical damage which exceeds the actual costs of the
22 repairs performed or the estimated cost of repairs, if the rental
23 company chooses not to repair the vehicle, including all discounts
24 and price reductions. However, if the vehicle is a total loss vehicle,
25 the claim shall not exceed the total loss vehicle value established
26 in accordance with procedures that are customarily used by
27 insurance companies when paying claims on total loss vehicles,
28 less the proceeds from salvaging the vehicle, if those proceeds are
29 retained by the rental company.

30 (4) If insurance coverage exists under the renter's applicable
31 personal or business insurance policy and the coverage is confirmed
32 during regular business hours, the renter may require that the rental
33 company submit any claims to the renter's applicable personal or
34 business insurance carrier. The rental company shall not make any
35 written or oral representations that it will not present claims or
36 negotiate with the renter's insurance carrier. For purposes of this
37 paragraph, confirmation of coverage includes telephone
38 confirmation from insurance company representatives during
39 regular business hours. Upon request of the renter and after
40 confirmation of coverage, the amount of claim shall be resolved

1 between the insurance carrier and the rental company. The renter
2 shall remain responsible for payment to the rental car company
3 for any loss sustained that the renter's applicable personal or
4 business insurance policy does not cover.

5 (5) A rental company shall not recover from the renter or other
6 authorized driver for an item described in subdivision (b) to the
7 extent the rental company obtains recovery from another person.

8 (6) This section applies only to the maximum liability of a renter
9 or other authorized driver to the rental company resulting from
10 damage to the rented vehicle and not to the liability of another
11 person.

12 (e) (1) Except as provided in subdivision (f), a damage waiver
13 shall provide or, if not expressly stated in writing, shall be deemed
14 to provide that the renter has no liability for a damage, loss, loss
15 of use, or a cost or expense incident thereto.

16 (2) Except as provided in subdivision (f), every limitation,
17 exception, or exclusion to a damage waiver is void and
18 unenforceable.

19 (f) A rental company may provide in the rental contract that a
20 damage waiver does not apply under any of the following
21 circumstances:

22 (1) Damage or loss results from an authorized driver's (A)
23 intentional, willful, wanton, or reckless conduct, (B) operation of
24 the vehicle under the influence of drugs or alcohol in violation of
25 Section 23152 of the Vehicle Code, (C) towing or pushing
26 anything, or (D) operation of the vehicle on an unpaved road if
27 the damage or loss is a direct result of the road or driving
28 conditions.

29 (2) Damage or loss occurs while the vehicle is (A) used for
30 commercial hire, (B) used in connection with conduct that could
31 be properly charged as a felony, (C) involved in a speed test or
32 contest or in driver training activity, (D) operated by a person other
33 than an authorized driver, or (E) operated outside the United States.

34 (3) An authorized driver who has (A) provided fraudulent
35 information to the rental company, or (B) provided false
36 information and the rental company would not have rented the
37 vehicle if it had instead received true information.

38 (g) (1) A rental company that offers or provides a damage
39 waiver for any consideration in addition to the rental rate shall
40 clearly and conspicuously disclose the following information in

1 the rental contract or holder in which the contract is placed and,
2 also, in signs posted at the place, such as the counter, where the
3 renter signs the rental contract, and, for renters who are enrolled
4 in the rental company's membership program, in a sign that shall
5 be posted in a location clearly visible to those renters as they enter
6 the location where their reserved rental cars are parked or near the
7 exit of the bus or other conveyance that transports the enrollee to
8 a reserved car: (A) the nature of the renter's liability, such as
9 liability for all collision damage regardless of cause, (B) the extent
10 of the renter's liability, such as liability for damage or loss up to
11 a specified amount, (C) the renter's personal insurance policy or
12 the credit card used to pay for the car rental transaction may
13 provide coverage for all or a portion of the renter's potential
14 liability, (D) the renter should consult with his or her insurer to
15 determine the scope of insurance coverage, including the amount
16 of the deductible, if any, for which the renter is obligated, (E) the
17 renter may purchase an optional damage waiver to cover all
18 liability, subject to whatever exceptions the rental company
19 expressly lists that are permitted under subdivision (f), and (F) the
20 range of charges for the damage waiver.

21 (2) In addition to the requirements of paragraph (1), a rental
22 company that offers or provides a damage waiver shall orally
23 disclose to all renters, except those who are participants in the
24 rental company's membership program, that the damage waiver
25 may be duplicative of coverage that the customer maintains under
26 his or her own policy of motor vehicle insurance. The renter's
27 receipt of the oral disclosure shall be demonstrated through the
28 renter's acknowledging receipt of the oral disclosure near that part
29 of the contract where the renter indicates, by the renter's own
30 initials, his or her acceptance or declination of the damage waiver.
31 Adjacent to that same part, the contract also shall state that the
32 damage waiver is optional. Further, the contract for these renters
33 shall include a clear and conspicuous written disclosure that the
34 damage waiver may be duplicative of coverage that the customer
35 maintains under his or her own policy of motor vehicle insurance.

36 (3) The following is an example, for purposes of illustration
37 and not limitation, of a notice fulfilling the requirements of
38 paragraph (1) for a rental company that imposes liability on the
39 renter for collision damage to the full value of the vehicle:

1 “NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
2 AND OPTIONAL DAMAGE WAIVER
3

4 You are responsible for all collision damage to the rented vehicle
5 even if someone else caused it or the cause is unknown. You are
6 responsible for the cost of repair up to the value of the vehicle,
7 and towing, storage, and impound fees.

8 Your own insurance, or the issuer of the credit card you use to
9 pay for the car rental transaction, may cover all or part of your
10 financial responsibility for the rented vehicle. You should check
11 with your insurance company, or credit card issuer, to find out
12 about your coverage and the amount of the deductible, if any, for
13 which you may be liable.

14 Further, if you use a credit card that provides coverage for your
15 potential liability, you should check with the issuer to determine
16 if you must first exhaust the coverage limits of your own insurance
17 before the credit card coverage applies.

18 The rental company will not hold you responsible if you buy a
19 damage waiver. But a damage waiver will not protect you if (list
20 exceptions).”
21

22 (A) When the above notice is printed in the rental contract or
23 holder in which the contract is placed, the following shall be printed
24 immediately following the notice:
25

26 “The cost of an optional damage waiver is \$_____ for every (day
27 or week).”
28

29 (B) When the above notice appears on a sign, the following
30 shall appear immediately adjacent to the notice:
31

32 “The cost of an optional damage waiver is \$_____ to \$_____ for
33 every (day or week), depending upon the vehicle rented.”
34

35 (h) Notwithstanding any other provision of law, a rental
36 company may sell a damage waiver subject to the following rate
37 limitations for each full or partial 24-hour rental day for the damage
38 waiver.

39 (1) For rental vehicles that the rental company designates as an
40 “economy car,” “subcompact car,” “compact car,” or another term

1 having similar meaning when offered for rental, or another vehicle
2 having a manufacturer's suggested retail price of nineteen thousand
3 dollars (\$19,000) or less, the rate shall not exceed nine dollars
4 (\$9).

5 (2) For rental vehicles that have a manufacturer's suggested
6 retail price from nineteen thousand one dollars (\$19,001) to
7 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
8 inclusive, and that are also either vehicles of next year's model,
9 or not older than the previous year's model, the rate shall not
10 exceed fifteen dollars (\$15). For those rental vehicles older than
11 the previous year's model-year, the rate shall not exceed nine
12 dollars (\$9).

13 (i) The manufacturer's suggested retail prices described in
14 subdivision (h) shall be adjusted annually to reflect changes from
15 the previous year in the Consumer Price Index. For the purposes
16 of this section, "Consumer Price Index" means the United States
17 Consumer Price Index for All Urban Consumers, for all items.

18 (j) A rental company that disseminates in this state an
19 advertisement containing a rental rate shall include in that
20 advertisement a clearly readable statement of the charge for a
21 damage waiver and a statement that a damage waiver is optional.

22 (k) (1) A rental company shall not require the purchase of a
23 damage waiver, optional insurance, or another optional good or
24 service.

25 (2) A rental company shall not engage in any unfair, deceptive,
26 or coercive conduct to induce a renter to purchase the damage
27 waiver, optional insurance, or another optional good or service,
28 including conduct such as, but not limited to, refusing to honor
29 the renter's reservation, limiting the availability of vehicles,
30 requiring a deposit, or debiting or blocking the renter's credit card
31 account for a sum equivalent to a deposit if the renter declines to
32 purchase the damage waiver, optional insurance, or another
33 optional good or service.

34 (l) (1) In the absence of express permission granted by the
35 renter subsequent to damage to, or loss of, the vehicle, a rental
36 company shall not seek to recover any portion of a claim arising
37 out of damage to, or loss of, the rented vehicle by processing a
38 credit card charge or causing a debit or block to be placed on the
39 renter's credit card account.

1 (2) A rental company shall not engage in any unfair, deceptive,
2 or coercive tactics in attempting to recover or in recovering on any
3 claim arising out of damage to, or loss of, the rented vehicle.

4 (m) (1) A customer facility charge may be collected by a rental
5 company under the following circumstances:

6 (A) Collection of the fee by the rental company is required by
7 an airport operated by a city, a county, a city and county, a joint
8 powers authority, a special district, or the San Diego County
9 Regional Airport Authority formed pursuant to Division 17
10 (commencing with Section 170000) of the Public Utilities Code.

11 (B) The fee is calculated on a per contract basis or as provided
12 in paragraph (2).

13 (C) The fee is a user fee, not a tax imposed upon real property
14 or an incidence of property ownership under Article XIII D of the
15 California Constitution.

16 (D) Except as otherwise provided in subparagraph (E), the fee
17 shall be ten dollars (\$10) per contract or the amount provided in
18 paragraph (2).

19 (E) The fee for a consolidated rental car facility shall be
20 collected only from customers of on-airport rental car companies.
21 If the fee imposed by the airport is for both a consolidated rental
22 car facility and a common-use transportation system, the fee
23 collected from customers of on-airport rental car companies shall
24 be ten dollars (\$10) or the amount provided in paragraph (2), but
25 the fee imposed on customers of off-airport rental car companies
26 who are transported on the common-use transportation system is
27 proportionate to the costs of the common-use transportation system
28 only. The fee is uniformly applied to each class of on-airport or
29 off-airport customers, provided that the airport requires off-airport
30 customers to use the common-use transportation system. For
31 purposes of this subparagraph, "on-airport rental car company"
32 means a rental company operating under an airport property lease
33 or an airport concession or license agreement whose customers
34 use or will use the consolidated rental car facility and the collection
35 of the fee as to those customers is consistent with subparagraph
36 (C).

37 (F) Revenues collected from the fee do not exceed the reasonable
38 costs of financing, designing, and constructing the facility and
39 financing, designing, constructing, and operating any common-use

1 transportation system, or acquiring vehicles for use in that system,
2 and shall not be used for any other purpose.

3 (G) The fee is separately identified on the rental agreement.

4 (H) This paragraph does not apply to fees which are governed
5 by Section 50474.1 of the Government Code or Section 57.5 of
6 the San Diego Unified Port District Act.

7 (I) For any airport seeking to require rental car companies to
8 collect an alternative customer facility charge pursuant to paragraph
9 (2), the following provisions apply:

10 (i) Notwithstanding Section 10231.5 of the Government Code,
11 the airport shall provide reports on an annual basis to the Senate
12 and Assembly Committees on Judiciary detailing all of the
13 following:

14 (I) The total amount of the customer facility charge collected.

15 (II) How the funds are being spent.

16 (III) The amount of and reason for any changes in the airport's
17 budget or financial needs for the facility or common-use
18 transportation system.

19 (IV) Whether airport concession fees authorized by Section
20 1936.01 have increased since the prior report, if any.

21 (ii) *(I) The airport shall complete the independent audit*
22 *required by subparagraph (B) of paragraph (4) of subdivision (a)*
23 *prior to initial collection of the customer facility charge, charge*
24 *and prior to any increase pursuant to paragraph (2), and every three*
25 *years after initial collection and any increase (2). An audit shall*
26 *be completed every three years after initial collection only if the*
27 *customer facility charge is used for the purpose of operating a*
28 *common-use transportation system or to acquire vehicles for use*
29 *in such a system pursuant to clause (ii) of subparagraph (A) of*
30 *paragraph (4) of subdivision (a). An audit conducted pursuant to*
31 *this clause may be included in an annual audit of an airport's*
32 *finances. This obligation shall continue until such time as the fee*
33 *authorization becomes inoperative pursuant to subparagraph (C)*
34 *of paragraph (4) of subdivision (a).*

35 *(II) This section shall not be construed to require an airport to*
36 *audit a common-use transportation system not financed by a*
37 *customer facility charge and used for the purposes permitted*
38 *pursuant to clause (ii) of subparagraph (A) of paragraph(4) of*
39 *subdivision (a).*

1 (iii) Use of the bonds shall be limited to construction and design
2 of the consolidated rental car facility, terminal modifications, and
3 operating costs of the common-use transportation system, as
4 specified in paragraph (4) of subdivision (a).

5 (2) Any airport may require rental car companies to collect an
6 alternative customer facility charge under the following conditions:

7 (A) The airport first conducts a publicly noticed hearing pursuant
8 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
9 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
10 to review the costs of financing the design and construction of a
11 consolidated rental car facility and the design, construction, and
12 operation of any common-use transportation system in which all
13 of the following occur:

14 (i) The airport establishes the amount of revenue necessary to
15 finance the reasonable cost to design and construct a consolidated
16 rental car facility and to design, construct, and operate any
17 common-use transportation system, or acquire vehicles for use in
18 that system, based on evidence presented during the hearing.

19 (ii) The airport finds, based on evidence presented during the
20 hearing, that the fee authorized in paragraph (1) will not generate
21 sufficient revenue to finance the reasonable costs to design and
22 construct a consolidated rental car facility and to design, construct,
23 and operate any common-use transportation system, or acquire
24 vehicles for use in that system.

25 (iii) The airport finds that the reasonable cost of the project
26 requires the additional amount of revenue that would be generated
27 by the proposed daily rate, including any rate increase, authorized
28 pursuant to this paragraph.

29 (iv) The airport outlines each of the following:

30 (I) Steps it has taken to limit costs.

31 (II) Other potential alternatives for meeting its revenue needs
32 other than the collection of the fee.

33 (III) The extent to which rental car companies or other
34 businesses or individuals using the facility or common-use
35 transportation system will pay for the costs associated with these
36 facilities and systems other than the fee from rental customers.

37 (B) The airport may not require the fee authorized in this
38 paragraph to be collected at any time that the fee authorized in
39 paragraph (1) of this subdivision is being collected.

1 (C) Pursuant to the procedure set forth in this subdivision, the
2 fee may be collected at a rate charged on a per-day basis subject
3 to the following conditions:

4 (i) Commencing January 1, 2011, the amount of the fee may
5 not exceed six dollars (\$6) per day.

6 (ii) Commencing January 1, 2014, the amount of the fee may
7 not exceed seven dollars and fifty cents (\$7.50) per day.

8 (iii) Commencing January 1, 2017, and thereafter, the amount
9 of the fee may not exceed nine dollars (\$9) per day.

10 (iv) At no time shall the fee authorized in this paragraph be
11 collected from any customer for more than five days for each
12 individual rental car contract.

13 (v) An airport subject to this paragraph shall initiate the process
14 for obtaining the authority to require or increase the alternative
15 fee no later than January 1, 2018. Any airport that obtains the
16 authority to require or increase an alternative fee shall be authorized
17 to continue collecting that fee until the fee authorization becomes
18 inoperative pursuant to subparagraph (C) of paragraph (4) of
19 subdivision (a).

20 (3) Notwithstanding any other provision of law, including, but
21 not limited to, Part 1 (commencing with Section 6001) to Part 1.7
22 (commencing with Section 7280), inclusive, of Division 2 of the
23 Revenue and Taxation Code, the fees collected pursuant to this
24 section, or another law whereby a local agency operating an airport
25 requires a rental car company to collect a facility financing fee
26 from its customers, are not subject to sales, use, or transaction
27 taxes.

28 (n) (1) A rental company shall only advertise, quote, and charge
29 a rental rate that includes the entire amount except taxes, a
30 customer facility charge, if any, and a mileage charge, if any, that
31 a renter must pay to hire or lease the vehicle for the period of time
32 to which the rental rate applies. A rental company shall not charge
33 in addition to the rental rate, taxes, a customer facility charge, if
34 any, and a mileage charge, if any, any fee that is required to be
35 paid by the renter as a condition of hiring or leasing the vehicle,
36 including, but not limited to, required fuel or airport surcharges
37 other than customer facility charges, nor a fee for transporting the
38 renter to the location where the rented vehicle will be delivered to
39 the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company shall not charge a fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall disclose clearly the existence and amount of the customer facility charge. For purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific

1 amount of the customer facility charge to which the customer will
2 be obligated.

3 (B) If a person or entity other than a rental car company,
4 including a passenger carrier or a seller of travel services, advertises
5 or quotes a rate for a car rental at an airport where a customer
6 facility charge is imposed, that person or entity shall, provided
7 that he, she, or it is provided with information about the existence
8 and amount of the fee, to the extent not specifically prohibited by
9 federal law, clearly disclose the existence and amount of the fee
10 in any telephonic, in-person, or computer-transmitted quotation at
11 the time of making an initial quotation of a rental rate and at the
12 time of making a reservation of a rental car. If a rental car company
13 provides the person or entity with rate and customer facility charge
14 information, the rental car company is not responsible for the
15 failure of that person or entity to comply with this subparagraph
16 when quoting or confirming a rate to a third person or entity.

17 (6) If a rental company delivers a vehicle to a renter at a location
18 other than the location where the rental company normally carries
19 on its business, the rental company shall not charge the renter an
20 amount for the rental for the period before the delivery of the
21 vehicle. If a rental company picks up a rented vehicle from a renter
22 at a location other than the location where the rental company
23 normally carries on its business, the rental company shall not
24 charge the renter an amount for the rental for the period after the
25 renter notifies the rental company to pick up the vehicle.

26 (o) A rental company shall not use, access, or obtain any
27 information relating to the renter's use of the rental vehicle that
28 was obtained using electronic surveillance technology, except in
29 the following circumstances:

30 (1) (A) When the equipment is used by the rental company
31 only for the purpose of locating a stolen, abandoned, or missing
32 rental vehicle after one of the following:

33 (i) The renter or law enforcement has informed the rental
34 company that the vehicle is missing or has been stolen or
35 abandoned.

36 (ii) The rental vehicle has not been returned following one week
37 after the contracted return date, or by one week following the end
38 of an extension of that return date.

39 (iii) The rental company discovers the rental vehicle has been
40 stolen or abandoned, and, if stolen, it shall report the vehicle stolen

1 to law enforcement by filing a stolen vehicle report, unless law
2 enforcement has already informed the rental company that the
3 vehicle is missing or has been stolen or abandoned.

4 (B) If electronic surveillance technology is activated pursuant
5 to subparagraph (A), a rental company shall maintain a record, in
6 either electronic or written form, of information relevant to the
7 activation of that technology. That information shall include the
8 rental agreement, including the return date, and the date and time
9 the electronic surveillance technology was activated. The record
10 shall also include, if relevant, a record of written or other
11 communication with the renter, including communications
12 regarding extensions of the rental, police reports, or other written
13 communication with law enforcement officials. The record shall
14 be maintained for a period of at least 12 months from the time the
15 record is created and shall be made available upon the renter's
16 request. The rental company shall maintain and furnish explanatory
17 codes necessary to read the record. A rental company shall not be
18 required to maintain a record if electronic surveillance technology
19 is activated to recover a rental vehicle that is stolen or missing at
20 a time other than during a rental period.

21 (2) In response to a specific request from law enforcement
22 pursuant to a subpoena or search warrant.

23 (3) This subdivision does not prohibit a rental company from
24 equipping rental vehicles with GPS-based technology that provides
25 navigation assistance to the occupants of the rental vehicle, if the
26 rental company does not use, access, or obtain information relating
27 to the renter's use of the rental vehicle that was obtained using
28 that technology, except for the purposes of discovering or repairing
29 a defect in the technology and the information may then be used
30 only for that purpose.

31 (4) This subdivision does not prohibit a rental company from
32 equipping rental vehicles with electronic surveillance technology
33 that allows for the remote locking or unlocking of the vehicle at
34 the request of the renter, if the rental company does not use, access,
35 or obtain information relating to the renter's use of the rental
36 vehicle that was obtained using that technology, except as
37 necessary to lock or unlock the vehicle.

38 (5) This subdivision does not prohibit a rental company from
39 equipping rental vehicles with electronic surveillance technology
40 that allows the company to provide roadside assistance, such as

1 towing, flat tire, or fuel services, at the request of the renter, if the
2 rental company does not use, access, or obtain information relating
3 to the renter's use of the rental vehicle that was obtained using
4 that technology except as necessary to provide the requested
5 roadside assistance.

6 (6) This subdivision does not prohibit a rental company from
7 obtaining, accessing, or using information from electronic
8 surveillance technology for the sole purpose of determining the
9 date and time the vehicle is returned to the rental company, and
10 the total mileage driven and the vehicle fuel level of the returned
11 vehicle. This paragraph, however, shall apply only after the renter
12 has returned the vehicle to the rental company, and the information
13 shall only be used for the purpose described in this paragraph.

14 (p) A rental company shall not use electronic surveillance
15 technology to track a renter in order to impose fines or surcharges
16 relating to the renter's use of the rental vehicle.

17 (q) A renter may bring an action against a rental company for
18 the recovery of damages and appropriate equitable relief for a
19 violation of this section. The prevailing party shall be entitled to
20 recover reasonable attorney's fees and costs.

21 (r) A rental company that brings an action against a renter for
22 loss due to theft of the vehicle shall bring the action in the county
23 in which the renter resides or, if the renter is not a resident of this
24 state, in the jurisdiction in which the renter resides.

25 (s) A waiver of any of the provisions of this section shall be
26 void and unenforceable as contrary to public policy.

27 (t) (1) A rental company's disclosure requirements shall be
28 satisfied for renters who are enrolled in the rental company's
29 membership program if all of the following conditions are met:

30 (A) Prior to the enrollee's first rental as a participant in the
31 program, the renter receives, in writing, the following:

32 (i) All of the disclosures required by paragraph (1) of subdivision
33 (g), including the terms and conditions of the rental agreement
34 then in effect.

35 (ii) An Internet Web site address, as well as a contact number
36 or address, where the enrollee can learn of changes to the rental
37 agreement or to the laws of this state governing rental agreements
38 since the effective date of the rental company's most recent
39 restatement of the rental agreement and distribution of that
40 restatement to its members.

1 (B) At the commencement of each rental period, the renter is
2 provided, on the rental record or the folder in which it is inserted,
3 with a printed notice stating that he or she had either previously
4 selected or declined an optional damage waiver and that the renter
5 has the right to change preferences.

6 (C) At the commencement of each rental period, the rental
7 company provides, on the rearview mirror, a hanger on which a
8 statement is printed, in a box, in at least 12-point boldface type,
9 notifying the renter that the collision damage waiver offered by
10 the rental company may be duplicative of coverage that the
11 customer maintains under his or her own policy of motor vehicle
12 insurance. If it is not feasible to hang the statement from the
13 rearview mirror, it shall be hung from the steering wheel.

14 The hanger shall provide the renter a box to initial if he or she
15 (not his or her employer) has previously accepted or declined the
16 collision damage waiver and that he or she now wishes to change
17 his or her decision to accept or decline the collision damage waiver,
18 as follows:

19
20 “☐ If I previously accepted the collision damage waiver, I
21 now decline it.

22
23 ☐ If I previously declined the collision damage waiver, I now
24 accept it.”

25
26 The hanger shall also provide a box for the enrollee to indicate
27 whether this change applies to this rental transaction only or to all
28 future rental transactions. The hanger shall also notify the renter
29 that he or she may make that change, prior to leaving the lot, by
30 returning the form to an employee designated to receive the form
31 who is present at the lot where the renter takes possession of the
32 car, to receive any change in the rental agreement from the renter.

33 (2) (A) This subdivision is not effective unless the employee
34 designated pursuant to subparagraph (E) of paragraph (8) of
35 subdivision (a) is actually present at the required location.

36 (B) This subdivision does not relieve the rental company from
37 the disclosures required to be made within the text of a contract
38 or holder in which the contract is placed; in or on an advertisement
39 containing a rental rate; or in a telephonic, in-person, or
40 computer-transmitted quotation or reservation.

1 (u) The amendments made to this section during the 2001–02
2 Regular Session of the Legislature do not affect litigation pending
3 on or before January 1, 2003, alleging a violation of Section 22325
4 of the Business and Professions Code as it read at the time the
5 action was commenced.

6 (v) (1) When a rental company enters into a rental agreement
7 in the state for the rental of a vehicle to any renter who is not a
8 resident of this country and, as part of, or associated with, the rental
9 agreement, the renter purchases liability insurance, as defined in
10 subdivision (b) of Section 1758.85 of the Insurance Code, from
11 the rental company in its capacity as a rental car agent for an
12 authorized insurer, the rental company shall be authorized to accept,
13 and, if served as set forth in this subdivision, shall accept, service
14 of a summons and complaint and any other required documents
15 against the foreign renter for any accident or collision resulting
16 from the operation of the rental vehicle within the state during the
17 rental period. If the rental company has a registered agent for
18 service of process on file with the Secretary of State, process shall
19 be served on the rental company's registered agent, either by
20 first-class mail, return receipt requested, or by personal service.

21 (2) Within 30 days of acceptance of service of process, the rental
22 company shall; provide a copy of the summons and complaint and
23 any other required documents served in accordance with this
24 subdivision to the foreign renter by first-class mail, return receipt
25 requested.

26 (3) Any plaintiff, or his or her representative, who elects to serve
27 the foreign renter by delivering a copy of the summons and
28 complaint and any other required documents to the rental company
29 pursuant to paragraph (1) shall agree to limit his or her recovery
30 against the foreign renter and the rental company to the limits of
31 the protection extended by the liability insurance.

32 (4) Notwithstanding the requirements of Sections 17450 to
33 17456, inclusive, of the Vehicle Code, service of process in
34 compliance with paragraph (1) shall be deemed valid and effective
35 service.

36 (5) Notwithstanding any other provision of law, the requirement
37 that the rental company accept service of process pursuant to
38 paragraph (1) shall not create any duty, obligation, or agency
39 relationship other than that provided in paragraph (1).

(w) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

SEC. 2. Section 1936 of the Civil Code, as amended by Section 3 of Chapter 32 of the Statutes of 2012, is amended to read:

1936. (a) For the purpose of this section, the following definitions shall apply:

(1) “Rental company” means a person or entity in the business of renting passenger vehicles to the public.

(2) “Renter” means any person in a manner obligated under a contract for the lease or hire of a passenger vehicle from a rental company for a period of less than 30 days.

(3) “Authorized driver” means (A) the renter, (B) the renter’s spouse if that person is a licensed driver and satisfies the rental company’s minimum age requirement, (C) the renter’s employer or coworker if he or she is engaged in business activity with the renter, is a licensed driver, and satisfies the rental company’s minimum age requirement, and (D) a person expressly listed by the rental company on the renter’s contract as an authorized driver.

(4) (A) “Customer facility charge” means any fee, including an alternative fee, required by an airport to be collected by a rental company from a renter for any of the following purposes:

(i) To finance, design, and construct consolidated airport car rental facilities.

(ii) To finance, design, construct, and operate common-use transportation systems that move passengers between airport terminals and those consolidated car rental facilities, and acquire vehicles for use in that system.

(iii) To finance, design, and construct terminal modifications solely to accommodate and provide customer access to common-use transportation systems.

(B) The aggregate amount to be collected shall not exceed the reasonable costs, as determined by an ~~independent~~ audit, by an independent auditor, paid for by the airport, to finance, design, and construct those facilities. *The auditor shall independently examine and substantiate the necessity for and the amount of the customer facility charge, including whether the airport’s actual or projected costs are supported and justified, any steps the airport may take to limit costs, potential alternatives for meeting the airport’s revenue needs other than the collection of the fee, and*

1 *whether and to what extent car rental companies or other*
2 *businesses or individuals using the facility or common-use*
3 *transportation system may pay for the costs associated with these*
4 *facilities and systems other than the fee from rental customers, or*
5 *whether the airport did not comply with any provision of this*
6 *subparagraph. Copies of the audit shall be provided to the*
7 *Assembly and Senate Committees on Judiciary, the Assembly*
8 *Committee on Transportation, and the Senate Committee on*
9 *Transportation and Housing and shall be posted on the airport's*
10 *Internet Web site. In the case of a transportation system, the audit*
11 *also shall consider the reasonable costs of providing the transit*
12 *system or busing network pursuant to clause (ii) of subparagraph*
13 *(A). Any audit required by this subparagraph may be included as*
14 *a part of an audit of an airport's finances. Notwithstanding clause*
15 *(iii) of subparagraph (A), the fees designated as a customer facility*
16 *charge shall not be used to pay for terminal expansion, gate*
17 *expansion, runway expansion, changes in hours of operation, or*
18 *changes in the number of flights arriving or departing from the*
19 *airport.*

20 (C) Except as provided in subparagraph (D), the authorization
21 given pursuant to this section for an airport to impose a customer
22 facility charge shall become inoperative when the bonds used for
23 financing are paid.

24 (D) If a bond or other form of indebtedness is not used for
25 financing, or the bond or other form of indebtedness used for
26 financing has been paid, the Oakland International Airport may
27 require the collection of a customer facility charge for a period of
28 up to 10 years from the imposition of the charge for the purposes
29 allowed by, and subject to the conditions imposed by, this section.

30 (5) "Damage waiver" means a rental company's agreement not
31 to hold a renter liable for all or any portion of any damage or loss
32 related to the rented vehicle, any loss of use of the rented vehicle,
33 or any storage, impound, towing, or administrative charges.

34 (6) "Electronic surveillance technology" means a technological
35 method or system used to observe, monitor, or collect information,
36 including telematics, Global Positioning System (GPS), wireless
37 technology, or location-based technologies. "Electronic
38 surveillance technology" does not include event data recorders
39 (EDR), sensing and diagnostic modules (SDM), or other systems
40 that are used either:

1 (A) For the purpose of identifying, diagnosing, or monitoring
2 functions related to the potential need to repair, service, or perform
3 maintenance on the rental vehicle.

4 (B) As part of the vehicle's airbag sensing and diagnostic system
5 in order to capture safety systems-related data for retrieval after a
6 crash has occurred or in the event that the collision sensors are
7 activated to prepare the decisionmaking computer to make the
8 determination to deploy or not to deploy the airbag.

9 (7) "Estimated time for replacement" means the number of hours
10 of labor, or fraction thereof, needed to replace damaged vehicle
11 parts as set forth in collision damage estimating guides generally
12 used in the vehicle repair business and commonly known as "crash
13 books."

14 (8) "Estimated time for repair" means a good faith estimate of
15 the reasonable number of hours of labor, or fraction thereof, needed
16 to repair damaged vehicle parts.

17 (9) "Membership program" means a service offered by a rental
18 company that permits customers to bypass the rental counter and
19 go directly to the car previously reserved. A membership program
20 shall meet all of the following requirements:

21 (A) The renter initiates enrollment by completing an application
22 on which the renter can specify a preference for type of vehicle
23 and acceptance or declination of optional services.

24 (B) The rental company fully discloses, prior to the enrollee's
25 first rental as a participant in the program, all terms and conditions
26 of the rental agreement as well as all required disclosures.

27 (C) The renter may terminate enrollment at any time.

28 (D) The rental company fully explains to the renter that
29 designated preferences, as well as acceptance or declination of
30 optional services, may be changed by the renter at any time for
31 the next and future rentals.

32 (E) An employee designated to receive the form specified in
33 subparagraph (C) of paragraph (1) of subdivision (t) is present at
34 the lot where the renter takes possession of the car, to receive any
35 change in the rental agreement from the renter.

36 (10) "Passenger vehicle" means a passenger vehicle as defined
37 in Section 465 of the Vehicle Code.

38 (b) Except as limited by subdivision (c), a rental company and
39 a renter may agree that the renter will be responsible for no more
40 than all of the following:

1 (1) Physical or mechanical damage to the rented vehicle up to
2 its fair market value, as determined in the customary market for
3 the sale of that vehicle, resulting from collision regardless of the
4 cause of the damage.

5 (2) Loss due to theft of the rented vehicle up to its fair market
6 value, as determined in the customary market for the sale of that
7 vehicle, provided that the rental company establishes by clear and
8 convincing evidence that the renter or the authorized driver failed
9 to exercise ordinary care while in possession of the vehicle. In
10 addition, the renter shall be presumed to have no liability for any
11 loss due to theft if (A) an authorized driver has possession of the
12 ignition key furnished by the rental company or an authorized
13 driver establishes that the ignition key furnished by the rental
14 company was not in the vehicle at the time of the theft, and (B) an
15 authorized driver files an official report of the theft with the police
16 or other law enforcement agency within 24 hours of learning of
17 the theft and reasonably cooperates with the rental company and
18 the police or other law enforcement agency in providing
19 information concerning the theft. The presumption set forth in this
20 paragraph is a presumption affecting the burden of proof which
21 the rental company may rebut by establishing that an authorized
22 driver committed, or aided and abetted the commission of, the
23 theft.

24 (3) Physical damage to the rented vehicle up to its fair market
25 value, as determined in the customary market for the sale of that
26 vehicle, resulting from vandalism occurring after, or in connection
27 with, the theft of the rented vehicle. However, the renter shall have
28 no liability for any damage due to vandalism if the renter would
29 have no liability for theft pursuant to paragraph (2).

30 (4) Physical damage to the rented vehicle up to a total of five
31 hundred dollars (\$500) resulting from vandalism unrelated to the
32 theft of the rented vehicle.

33 (5) Actual charges for towing, storage, and impound fees paid
34 by the rental company if the renter is liable for damage or loss.

35 (6) An administrative charge, which shall include the cost of
36 appraisal and all other costs and expenses incident to the damage,
37 loss, repair, or replacement of the rented vehicle.

38 (c) The total amount of the renter's liability to the rental
39 company resulting from damage to the rented vehicle shall not
40 exceed the sum of the following:

1 (1) The estimated cost of parts which the rental company would
2 have to pay to replace damaged vehicle parts. All discounts and
3 price reductions or adjustments that are or will be received by the
4 rental company shall be subtracted from the estimate to the extent
5 not already incorporated in the estimate, or otherwise promptly
6 credited or refunded to the renter.

7 (2) The estimated cost of labor to replace damaged vehicle parts,
8 which shall not exceed the product of (A) the rate for labor usually
9 paid by the rental company to replace vehicle parts of the type that
10 were damaged and (B) the estimated time for replacement. All
11 discounts and price reductions or adjustments that are or will be
12 received by the rental company shall be subtracted from the
13 estimate to the extent not already incorporated in the estimate, or
14 otherwise promptly credited or refunded to the renter.

15 (3) (A) The estimated cost of labor to repair damaged vehicle
16 parts, which shall not exceed the lesser of the following:

17 (i) The product of the rate for labor usually paid by the rental
18 company to repair vehicle parts of the type that were damaged and
19 the estimated time for repair.

20 (ii) The sum of the estimated labor and parts costs determined
21 under paragraphs (1) and (2) to replace the same vehicle parts.

22 (B) All discounts and price reductions or adjustments that are
23 or will be received by the rental company shall be subtracted from
24 the estimate to the extent not already incorporated in the estimate,
25 or otherwise promptly credited or refunded to the renter.

26 (4) For the purpose of converting the estimated time for repair
27 into the same units of time in which the rental rate is expressed, a
28 day shall be deemed to consist of eight hours.

29 (5) Actual charges for towing, storage, and impound fees paid
30 by the rental company.

31 (6) The administrative charge described in paragraph (6) of
32 subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total
33 estimated cost for parts and labor is more than one hundred dollars
34 (\$100) up to and including five hundred dollars (\$500), (B) one
35 hundred dollars (\$100) if the total estimated cost for parts and
36 labor exceeds five hundred dollars (\$500) up to and including one
37 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
38 dollars (\$150) if the total estimated cost for parts and labor exceeds
39 one thousand five hundred dollars (\$1,500). An administrative

1 charge shall not be imposed if the total estimated cost of parts and
2 labor is one hundred dollars (\$100) or less.

3 (d) (1) The total amount of an authorized driver's liability to
4 the rental company, if any, for damage occurring during the
5 authorized driver's operation of the rented vehicle shall not exceed
6 the amount of the renter's liability under subdivision (c).

7 (2) A rental company shall not recover from the renter or other
8 authorized driver an amount exceeding the renter's liability under
9 subdivision (c).

10 (3) A claim against a renter resulting from damage or loss,
11 excluding loss of use, to a rental vehicle shall be reasonably and
12 rationally related to the actual loss incurred. A rental company
13 shall mitigate damages where possible and shall not assert or collect
14 a claim for physical damage which exceeds the actual costs of the
15 repairs performed or the estimated cost of repairs, if the rental
16 company chooses not to repair the vehicle, including all discounts
17 and price reductions. However, if the vehicle is a total loss vehicle,
18 the claim shall not exceed the total loss vehicle value established
19 in accordance with procedures that are customarily used by
20 insurance companies when paying claims on total loss vehicles,
21 less the proceeds from salvaging the vehicle, if those proceeds are
22 retained by the rental company.

23 (4) If insurance coverage exists under the renter's applicable
24 personal or business insurance policy and the coverage is confirmed
25 during regular business hours, the renter may require that the rental
26 company submit any claims to the renter's applicable personal or
27 business insurance carrier. The rental company shall not make any
28 written or oral representations that it will not present claims or
29 negotiate with the renter's insurance carrier. For purposes of this
30 paragraph, confirmation of coverage includes telephone
31 confirmation from insurance company representatives during
32 regular business hours. Upon request of the renter and after
33 confirmation of coverage, the amount of claim shall be resolved
34 between the insurance carrier and the rental company. The renter
35 shall remain responsible for payment to the rental car company
36 for any loss sustained that the renter's applicable personal or
37 business insurance policy does not cover.

38 (5) A rental company shall not recover from the renter or other
39 authorized driver for an item described in subdivision (b) to the
40 extent the rental company obtains recovery from another person.

(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of another person.

(e) (1) Except as provided in subdivision (f), a damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for a damage, loss, loss of use, or a cost or expense incident thereto.

(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to a damage waiver is void and unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside the United States.

(3) An authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company that offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract, and, for renters who are enrolled in the rental company's membership program, in a sign that shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to

1 a reserved car: (A) the nature of the renter's liability, such as
2 liability for all collision damage regardless of cause, (B) the extent
3 of the renter's liability, such as liability for damage or loss up to
4 a specified amount, (C) the renter's personal insurance policy or
5 the credit card used to pay for the car rental transaction may
6 provide coverage for all or a portion of the renter's potential
7 liability, (D) the renter should consult with his or her insurer to
8 determine the scope of insurance coverage, including the amount
9 of the deductible, if any, for which the renter is obligated, (E) the
10 renter may purchase an optional damage waiver to cover all
11 liability, subject to whatever exceptions the rental company
12 expressly lists that are permitted under subdivision (f), and (F) the
13 range of charges for the damage waiver.

14 (2) In addition to the requirements of paragraph (1), a rental
15 company that offers or provides a damage waiver shall orally
16 disclose to all renters, except those who are participants in the
17 rental company's membership program, that the damage waiver
18 may be duplicative of coverage that the customer maintains under
19 his or her own policy of motor vehicle insurance. The renter's
20 receipt of the oral disclosure shall be demonstrated through the
21 renter's acknowledging receipt of the oral disclosure near that part
22 of the contract where the renter indicates, by the renter's own
23 initials, his or her acceptance or declination of the damage waiver.
24 Adjacent to that same part, the contract also shall state that the
25 damage waiver is optional. Further, the contract for these renters
26 shall include a clear and conspicuous written disclosure that the
27 damage waiver may be duplicative of coverage that the customer
28 maintains under his or her own policy of motor vehicle insurance.

29 (3) The following is an example, for purposes of illustration
30 and not limitation, of a notice fulfilling the requirements of
31 paragraph (1) for a rental company that imposes liability on the
32 renter for collision damage to the full value of the vehicle:

33
34 "NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
35 AND OPTIONAL DAMAGE WAIVER
36

37 You are responsible for all collision damage to the rented vehicle
38 even if someone else caused it or the cause is unknown. You are
39 responsible for the cost of repair up to the value of the vehicle,
40 and towing, storage, and impound fees.

1 Your own insurance, or the issuer of the credit card you use to
2 pay for the car rental transaction, may cover all or part of your
3 financial responsibility for the rented vehicle. You should check
4 with your insurance company, or credit card issuer, to find out
5 about your coverage and the amount of the deductible, if any, for
6 which you may be liable.

7 Further, if you use a credit card that provides coverage for your
8 potential liability, you should check with the issuer to determine
9 if you must first exhaust the coverage limits of your own insurance
10 before the credit card coverage applies.

11 The rental company will not hold you responsible if you buy a
12 damage waiver. But a damage waiver will not protect you if (list
13 exceptions)."

14 (A) When the above notice is printed in the rental contract or
15 holder in which the contract is placed, the following shall be printed
16 immediately following the notice:

17 "The cost of an optional damage waiver is \$_____ for every (day
18 or week)."

19 (B) When the above notice appears on a sign, the following
20 shall appear immediately adjacent to the notice:

21 "The cost of an optional damage waiver is \$_____ to \$_____ for
22 every (day or week), depending upon the vehicle rented."

23 (h) Notwithstanding any other provision of law, a rental
24 company may sell a damage waiver subject to the following rate
25 limitations for each full or partial 24-hour rental day for the damage
26 waiver.

27 (1) For rental vehicles that the rental company designates as an
28 "economy car," "subcompact car," "compact car," or another term
29 having similar meaning when offered for rental, or another vehicle
30 having a manufacturer's suggested retail price of nineteen thousand
31 dollars (\$19,000) or less, the rate shall not exceed nine dollars
32 (\$9).

33 (2) For rental vehicles that have a manufacturer's suggested
34 retail price from nineteen thousand one dollars (\$19,001) to
35 thirty-four thousand nine hundred ninety-nine dollars (\$34,999),
36 inclusive, and that are also either vehicles of next year's model,
37 or not older than the previous year's model, the rate shall not
38 exceed fifteen dollars (\$15). For those rental vehicles older than
39 the previous year's model-year, the rate shall not exceed nine
40 dollars (\$9).

1 (i) The manufacturer's suggested retail prices described in
2 subdivision (h) shall be adjusted annually to reflect changes from
3 the previous year in the Consumer Price Index. For the purposes
4 of this section, "Consumer Price Index" means the United States
5 Consumer Price Index for All Urban Consumers, for all items.

6 (j) A rental company that disseminates in this state an
7 advertisement containing a rental rate shall include in that
8 advertisement a clearly readable statement of the charge for a
9 damage waiver and a statement that a damage waiver is optional.

10 (k) (1) A rental company shall not require the purchase of a
11 damage waiver, optional insurance, or another optional good or
12 service.

13 (2) A rental company shall not engage in any unfair, deceptive,
14 or coercive conduct to induce a renter to purchase the damage
15 waiver, optional insurance, or another optional good or service,
16 including conduct such as, but not limited to, refusing to honor
17 the renter's reservation, limiting the availability of vehicles,
18 requiring a deposit, or debiting or blocking the renter's credit card
19 account for a sum equivalent to a deposit if the renter declines to
20 purchase the damage waiver, optional insurance, or another
21 optional good or service.

22 (l) (1) In the absence of express permission granted by the
23 renter subsequent to damage to, or loss of, the vehicle, a rental
24 company shall not seek to recover any portion of a claim arising
25 out of damage to, or loss of, the rented vehicle by processing a
26 credit card charge or causing a debit or block to be placed on the
27 renter's credit card account.

28 (2) A rental company shall not engage in any unfair, deceptive,
29 or coercive tactics in attempting to recover or in recovering on any
30 claim arising out of damage to, or loss of, the rented vehicle.

31 (m) (1) A customer facility charge may be collected by a rental
32 company under the following circumstances:

33 (A) Collection of the fee by the rental company is required by
34 an airport operated by a city, a county, a city and county, a joint
35 powers authority, a special district, or the San Diego County
36 Regional Airport Authority formed pursuant to Division 17
37 (commencing with Section 170000) of the Public Utilities Code.

38 (B) The fee is calculated on a per contract basis or as provided
39 in paragraph (2).

1 (C) The fee is a user fee, not a tax imposed upon real property
2 or an incidence of property ownership under Article XIII D of the
3 California Constitution.

4 (D) Except as otherwise provided in subparagraph (E), the fee
5 shall be ten dollars (\$10) per contract or the amount provided in
6 paragraph (2).

7 (E) The fee for a consolidated rental car facility shall be
8 collected only from customers of on-airport rental car companies.
9 If the fee imposed by the airport is for both a consolidated rental
10 car facility and a common-use transportation system, the fee
11 collected from customers of on-airport rental car companies shall
12 be ten dollars (\$10) or the amount provided in paragraph (2), but
13 the fee imposed on customers of off-airport rental car companies
14 who are transported on the common-use transportation system is
15 proportionate to the costs of the common-use transportation system
16 only. The fee is uniformly applied to each class of on-airport or
17 off-airport customers, provided that the airport requires off-airport
18 customers to use the common-use transportation system. For
19 purposes of this subparagraph, “on-airport rental car company”
20 means a rental company operating under an airport property lease
21 or an airport concession or license agreement whose customers
22 use or will use the consolidated rental car facility and the collection
23 of the fee as to those customers is consistent with subparagraph
24 (C).

25 (F) Revenues collected from the fee do not exceed the reasonable
26 costs of financing, designing, and constructing the facility and
27 financing, designing, constructing, and operating any common-use
28 transportation system, or acquiring vehicles for use in that system,
29 and shall not be used for any other purpose.

30 (G) The fee is separately identified on the rental agreement.

31 (H) This paragraph does not apply to fees which are governed
32 by Section 50474.1 of the Government Code or Section 57.5 of
33 the San Diego Unified Port District Act.

34 (I) For any airport seeking to require rental car companies to
35 collect an alternative customer facility charge pursuant to paragraph
36 (2), the following provisions apply:

37 (i) Notwithstanding Section 10231.5 of the Government Code,
38 the airport shall provide reports on an annual basis to the Senate
39 and Assembly Committees on Judiciary detailing all of the
40 following:

1 (I) The total amount of the customer facility charge collected.

2 (II) How the funds are being spent.

3 (III) The amount of and reason for any changes in the airport's
4 budget or financial needs for the facility or common-use
5 transportation system.

6 (IV) Whether airport concession fees authorized by Section
7 1936.01 have increased since the prior report, if any.

8 (ii) *(I) The airport shall complete the ~~independent~~ audit*
9 *required by subparagraph (B) of paragraph (4) of subdivision (a)*
10 *prior to initial collection of the customer facility ~~charge~~, charge*
11 *and prior to any increase pursuant to paragraph (2), and every*
12 *~~three years after initial collection and any increase~~ (2). An audit*
13 *shall be completed every three years after initial collection only*
14 *if the customer facility charge is used for the purpose of operating*
15 *a common-use transportation system or to acquire vehicles for*
16 *use in such a system pursuant to clause (ii) of subparagraph (A)*
17 *of paragraph (4) of subdivision (a). An audit conducted pursuant*
18 *to this clause may be included in an annual audit of an airport's*
19 *finances. This obligation shall continue until such time as the fee*
20 *authorization becomes inoperative pursuant to subparagraph (C)*
21 *of paragraph (4) of subdivision (a).*

22 *(II) This section shall not be construed to require an airport to*
23 *audit a common-use transportation system not financed by a*
24 *customer facility charge and used for the purposes permitted*
25 *pursuant to clause (ii) of subparagraph (A) of paragraph (4) of*
26 *subdivision (a).*

27 (iii) Use of the bonds shall be limited to construction and design
28 of the consolidated rental car facility, terminal modifications, and
29 operating costs of the common-use transportation system, as
30 specified in paragraph (4) of subdivision (a).

31 (2) Any airport may require rental car companies to collect an
32 alternative customer facility charge under the following conditions:

33 (A) The airport first conducts a publicly noticed hearing pursuant
34 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
35 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
36 to review the costs of financing the design and construction of a
37 consolidated rental car facility and the design, construction, and
38 operation of any common-use transportation system in which all
39 of the following occur:

1 (i) The airport establishes the amount of revenue necessary to
2 finance the reasonable cost to design and construct a consolidated
3 rental car facility and to design, construct, and operate any
4 common-use transportation system, or acquire vehicles for use in
5 that system, based on evidence presented during the hearing.

6 (ii) The airport finds, based on evidence presented during the
7 hearing, that the fee authorized in paragraph (1) will not generate
8 sufficient revenue to finance the reasonable costs to design and
9 construct a consolidated rental car facility and to design, construct,
10 and operate any common-use transportation system, or acquire
11 vehicles for use in that system.

12 (iii) The airport finds that the reasonable cost of the project
13 requires the additional amount of revenue that would be generated
14 by the proposed daily rate, including any rate increase, authorized
15 pursuant to this paragraph.

16 (iv) The airport outlines each of the following:

17 (I) Steps it has taken to limit costs.

18 (II) Other potential alternatives for meeting its revenue needs
19 other than the collection of the fee.

20 (III) The extent to which rental car companies or other
21 businesses or individuals using the facility or common-use
22 transportation system will pay for the costs associated with these
23 facilities and systems other than the fee from rental customers.

24 (B) The airport may not require the fee authorized in this
25 paragraph to be collected at any time that the fee authorized in
26 paragraph (1) of this subdivision is being collected.

27 (C) Pursuant to the procedure set forth in this subdivision, the
28 fee may be collected at a rate charged on a per-day basis subject
29 to the following conditions:

30 (i) Commencing January 1, 2011, the amount of the fee may
31 not exceed six dollars (\$6) per day.

32 (ii) Commencing January 1, 2014, the amount of the fee may
33 not exceed seven dollars and fifty cents (\$7.50) per day.

34 (iii) Commencing January 1, 2017, and thereafter, the amount
35 of the fee may not exceed nine dollars (\$9) per day.

36 (iv) At no time shall the fee authorized in this paragraph be
37 collected from any customer for more than five days for each
38 individual rental car contract.

39 (v) An airport subject to this paragraph shall initiate the process
40 for obtaining the authority to require or increase the alternative

1 fee no later than January 1, 2018. Any airport that obtains the
2 authority to require or increase an alternative fee shall be authorized
3 to continue collecting that fee until the fee authorization becomes
4 inoperative pursuant to subparagraph (C) of paragraph (4) of
5 subdivision (a).

6 (3) Notwithstanding any other provision of law, including, but
7 not limited to, Part 1 (commencing with Section 6001) to Part 1.7
8 (commencing with Section 7280), inclusive, of Division 2 of the
9 Revenue and Taxation Code, the fees collected pursuant to this
10 section, or another law whereby a local agency operating an airport
11 requires a rental car company to collect a facility financing fee
12 from its customers, are not subject to sales, use, or transaction
13 taxes.

14 (n) (1) A rental company shall only advertise, quote, and charge
15 a rental rate that includes the entire amount except taxes, a
16 customer facility charge, if any, and a mileage charge, if any, that
17 a renter must pay to hire or lease the vehicle for the period of time
18 to which the rental rate applies. A rental company shall not charge
19 in addition to the rental rate, taxes, a customer facility charge, if
20 any, and a mileage charge, if any, any fee that is required to be
21 paid by the renter as a condition of hiring or leasing the vehicle,
22 including, but not limited to, required fuel or airport surcharges
23 other than customer facility charges, nor a fee for transporting the
24 renter to the location where the rented vehicle will be delivered to
25 the renter.

26 (2) In addition to the rental rate, taxes, customer facility charges,
27 if any, and mileage charges, if any, a rental company may charge
28 for an item or service provided in connection with a particular
29 rental transaction if the renter could have avoided incurring the
30 charge by choosing not to obtain or utilize the optional item or
31 service. Items and services for which the rental company may
32 impose an additional charge include, but are not limited to, optional
33 insurance and accessories requested by the renter, service charges
34 incident to the renter's optional return of the vehicle to a location
35 other than the location where the vehicle was hired or leased, and
36 charges for refueling the vehicle at the conclusion of the rental
37 transaction in the event the renter did not return the vehicle with
38 as much fuel as was in the fuel tank at the beginning of the rental.
39 A rental company also may impose an additional charge based on
40 reasonable age criteria established by the rental company.

1 (3) A rental company shall not charge a fee for authorized
2 drivers in addition to the rental charge for an individual renter.

3 (4) If a rental company states a rental rate in print advertisement
4 or in a telephonic, in-person, or computer-transmitted quotation,
5 the rental company shall disclose clearly in that advertisement or
6 quotation the terms of mileage conditions relating to the advertised
7 or quoted rental rate, including, but not limited to, to the extent
8 applicable, the amount of mileage and gas charges, the number of
9 miles for which no charges will be imposed, and a description of
10 geographic driving limitations within the United States and Canada.

11 (5) (A) When a rental rate is stated in an advertisement,
12 quotation, or reservation in connection with a car rental at an airport
13 where a customer facility charge is imposed, the rental company
14 shall disclose clearly the existence and amount of the customer
15 facility charge. For purposes of this subparagraph, advertisements
16 include radio, television, other electronic media, and print
17 advertisements. For purposes of this subparagraph, quotations and
18 reservations include those that are telephonic, in-person, and
19 computer-transmitted. If the rate advertisement is intended to
20 include transactions at more than one airport imposing a customer
21 facility charge, a range of fees may be stated in the advertisement.
22 However, all rate advertisements that include car rentals at airport
23 destinations shall clearly and conspicuously include a toll-free
24 telephone number whereby a customer can be told the specific
25 amount of the customer facility charge to which the customer will
26 be obligated.

27 (B) If a person or entity other than a rental car company,
28 including a passenger carrier or a seller of travel services, advertises
29 or quotes a rate for a car rental at an airport where a customer
30 facility charge is imposed, that person or entity shall, provided
31 that he, she, or it is provided with information about the existence
32 and amount of the fee, to the extent not specifically prohibited by
33 federal law, clearly disclose the existence and amount of the fee
34 in any telephonic, in-person, or computer-transmitted quotation at
35 the time of making an initial quotation of a rental rate and at the
36 time of making a reservation of a rental car. If a rental car company
37 provides the person or entity with rate and customer facility charge
38 information, the rental car company is not responsible for the
39 failure of that person or entity to comply with this subparagraph
40 when quoting or confirming a rate to a third person or entity.

1 (6) If a rental company delivers a vehicle to a renter at a location
2 other than the location where the rental company normally carries
3 on its business, the rental company shall not charge the renter an
4 amount for the rental for the period before the delivery of the
5 vehicle. If a rental company picks up a rented vehicle from a renter
6 at a location other than the location where the rental company
7 normally carries on its business, the rental company shall not
8 charge the renter an amount for the rental for the period after the
9 renter notifies the rental company to pick up the vehicle.

10 (o) A rental company shall not use, access, or obtain any
11 information relating to the renter's use of the rental vehicle that
12 was obtained using electronic surveillance technology, except in
13 the following circumstances:

14 (1) (A) When the equipment is used by the rental company
15 only for the purpose of locating a stolen, abandoned, or missing
16 rental vehicle after one of the following:

17 (i) The renter or law enforcement has informed the rental
18 company that the vehicle is missing or has been stolen or
19 abandoned.

20 (ii) The rental vehicle has not been returned following one week
21 after the contracted return date, or by one week following the end
22 of an extension of that return date.

23 (iii) The rental company discovers the rental vehicle has been
24 stolen or abandoned, and, if stolen, it shall report the vehicle stolen
25 to law enforcement by filing a stolen vehicle report, unless law
26 enforcement has already informed the rental company that the
27 vehicle is missing or has been stolen or abandoned.

28 (B) If electronic surveillance technology is activated pursuant
29 to subparagraph (A), a rental company shall maintain a record, in
30 either electronic or written form, of information relevant to the
31 activation of that technology. That information shall include the
32 rental agreement, including the return date, and the date and time
33 the electronic surveillance technology was activated. The record
34 shall also include, if relevant, a record of written or other
35 communication with the renter, including communications
36 regarding extensions of the rental, police reports, or other written
37 communication with law enforcement officials. The record shall
38 be maintained for a period of at least 12 months from the time the
39 record is created and shall be made available upon the renter's
40 request. The rental company shall maintain and furnish explanatory

1 codes necessary to read the record. A rental company shall not be
2 required to maintain a record if electronic surveillance technology
3 is activated to recover a rental vehicle that is stolen or missing at
4 a time other than during a rental period.

5 (2) In response to a specific request from law enforcement
6 pursuant to a subpoena or search warrant.

7 (3) This subdivision does not prohibit a rental company from
8 equipping rental vehicles with GPS-based technology that provides
9 navigation assistance to the occupants of the rental vehicle, if the
10 rental company does not use, access, or obtain information relating
11 to the renter's use of the rental vehicle that was obtained using
12 that technology, except for the purposes of discovering or repairing
13 a defect in the technology and the information may then be used
14 only for that purpose.

15 (4) This subdivision does not prohibit a rental company from
16 equipping rental vehicles with electronic surveillance technology
17 that allows for the remote locking or unlocking of the vehicle at
18 the request of the renter, if the rental company does not use, access,
19 or obtain information relating to the renter's use of the rental
20 vehicle that was obtained using that technology, except as
21 necessary to lock or unlock the vehicle.

22 (5) This subdivision does not prohibit a rental company from
23 equipping rental vehicles with electronic surveillance technology
24 that allows the company to provide roadside assistance, such as
25 towing, flat tire, or fuel services, at the request of the renter, if the
26 rental company does not use, access, or obtain information relating
27 to the renter's use of the rental vehicle that was obtained using
28 that technology except as necessary to provide the requested
29 roadside assistance.

30 (6) This subdivision does not prohibit a rental company from
31 obtaining, accessing, or using information from electronic
32 surveillance technology for the sole purpose of determining the
33 date and time the vehicle is returned to the rental company, and
34 the total mileage driven and the vehicle fuel level of the returned
35 vehicle. This paragraph, however, shall apply only after the renter
36 has returned the vehicle to the rental company, and the information
37 shall only be used for the purpose described in this paragraph.

38 (p) A rental company shall not use electronic surveillance
39 technology to track a renter in order to impose fines or surcharges
40 relating to the renter's use of the rental vehicle.

1 (q) A renter may bring an action against a rental company for
2 the recovery of damages and appropriate equitable relief for a
3 violation of this section. The prevailing party shall be entitled to
4 recover reasonable attorney's fees and costs.

5 (r) A rental company that brings an action against a renter for
6 loss due to theft of the vehicle shall bring the action in the county
7 in which the renter resides or, if the renter is not a resident of this
8 state, in the jurisdiction in which the renter resides.

9 (s) A waiver of any of the provisions of this section shall be
10 void and unenforceable as contrary to public policy.

11 (t) (1) A rental company's disclosure requirements shall be
12 satisfied for renters who are enrolled in the rental company's
13 membership program if all of the following conditions are met:

14 (A) Prior to the enrollee's first rental as a participant in the
15 program, the renter receives, in writing, the following:

16 (i) All of the disclosures required by paragraph (1) of subdivision
17 (g), including the terms and conditions of the rental agreement
18 then in effect.

19 (ii) An Internet Web site address, as well as a contact number
20 or address, where the enrollee can learn of changes to the rental
21 agreement or to the laws of this state governing rental agreements
22 since the effective date of the rental company's most recent
23 restatement of the rental agreement and distribution of that
24 restatement to its members.

25 (B) At the commencement of each rental period, the renter is
26 provided, on the rental record or the folder in which it is inserted,
27 with a printed notice stating that he or she had either previously
28 selected or declined an optional damage waiver and that the renter
29 has the right to change preferences.

30 (C) At the commencement of each rental period, the rental
31 company provides, on the rearview mirror, a hanger on which a
32 statement is printed, in a box, in at least 12-point boldface type,
33 notifying the renter that the collision damage waiver offered by
34 the rental company may be duplicative of coverage that the
35 customer maintains under his or her own policy of motor vehicle
36 insurance. If it is not feasible to hang the statement from the
37 rearview mirror, it shall be hung from the steering wheel.

38 The hanger shall provide the renter a box to initial if he or she
39 (not his or her employer) has previously accepted or declined the
40 collision damage waiver and that he or she now wishes to change

1 his or her decision to accept or decline the collision damage waiver,
2 as follows:

3 “☐ If I previously accepted the collision damage waiver, I
4 now decline it.

5 ☐ If I previously declined the collision damage waiver, I now
6 accept it.”

7 The hanger shall also provide a box for the enrollee to indicate
8 whether this change applies to this rental transaction only or to all
9 future rental transactions. The hanger shall also notify the renter
10 that he or she may make that change, prior to leaving the lot, by
11 returning the form to an employee designated to receive the form
12 who is present at the lot where the renter takes possession of the
13 car, to receive any change in the rental agreement from the renter.

14 (2) (A) This subdivision is not effective unless the employee
15 designated pursuant to subparagraph (E) of paragraph (8) of
16 subdivision (a) is actually present at the required location.

17 (B) This subdivision does not relieve the rental company from
18 the disclosures required to be made within the text of a contract
19 or holder in which the contract is placed; in or on an advertisement
20 containing a rental rate; or in a telephonic, in-person, or
21 computer-transmitted quotation or reservation.

22 (u) The amendments made to this section during the 2001–02
23 Regular Session of the Legislature do not affect litigation pending
24 on or before January 1, 2003, alleging a violation of Section 22325
25 of the Business and Professions Code as it read at the time the
26 action was commenced.

27 (v) This section shall become operative on January 1, 2015.

28 ~~SECTION 1. Section 1936 of the Civil Code, as amended by~~
29 ~~Section 2 of Chapter 32 of the Statutes of 2012, is amended to~~
30 ~~read:~~

31 ~~1936. (a) For the purpose of this section, the following~~
32 ~~definitions shall apply:~~

33 ~~(1) “Rental company” means a person or entity in the business~~
34 ~~of renting passenger vehicles to the public.~~

35 ~~(2) “Renter” means any person in a manner obligated under a~~
36 ~~contract for the lease or hire of a passenger vehicle from a rental~~
37 ~~company for a period of less than 30 days.~~

38 ~~(3) “Authorized driver” means (A) the renter, (B) the renter’s~~
39 ~~spouse if that person is a licensed driver and satisfies the rental~~
40 ~~company’s minimum age requirement, (C) the renter’s employer~~

1 or coworker if he or she is engaged in business activity with the
2 renter, is a licensed driver, and satisfies the rental company's
3 minimum age requirement, and (D) a person expressly listed by
4 the rental company on the renter's contract as an authorized driver.

5 (4) (A) "Customer facility charge" means any fee, including
6 an alternative fee, required by an airport to be collected by a rental
7 company from a renter for any of the following purposes:

8 (i) To finance, design, and construct consolidated airport car
9 rental facilities.

10 (ii) To finance, design, construct, and operate common-use
11 transportation systems that move passengers between airport
12 terminals and those consolidated car rental facilities, and acquire
13 vehicles for use in that system.

14 (iii) To finance, design, and construct terminal modifications
15 solely to accommodate and provide customer access to
16 common-use transportation systems.

17 (B) The aggregate amount to be collected shall not exceed the
18 reasonable costs to finance, design, and construct those facilities.
19 Copies of the customer facility charge information shall be
20 provided to the Assembly and Senate Committees on Judiciary,
21 the Assembly Committee on Transportation, and the Senate
22 Committee on Transportation and Housing. Notwithstanding clause
23 (iii) of subparagraph (A), the fees designated as a customer facility
24 charge shall not be used to pay for terminal expansion, gate
25 expansion, runway expansion, changes in hours of operation, or
26 changes in the number of flights arriving or departing from the
27 airport.

28 (C) Except as provided in subparagraph (D), the authorization
29 given pursuant to this section for an airport to impose a customer
30 facility charge shall become inoperative when the bonds used for
31 financing are paid.

32 (D) If a bond or other form of indebtedness is not used for
33 financing, or the bond or other form of indebtedness used for
34 financing has been paid, the Oakland International Airport may
35 require the collection of a customer facility charge for a period of
36 up to 10 years from the imposition of the charge for the purposes
37 allowed by, and subject to the conditions imposed by, this section.

38 (5) "Damage waiver" means a rental company's agreement not
39 to hold a renter liable for all or any portion of any damage or loss

1 related to the rented vehicle, any loss of use of the rented vehicle,
2 or any storage, impound, towing, or administrative charges.

3 (6) ~~“Electronic surveillance technology” means a technological~~
4 ~~method or system used to observe, monitor, or collect information,~~
5 ~~including telematics, Global Positioning System (GPS), wireless~~
6 ~~technology, — or — location-based — technologies. — “Electronic~~
7 ~~surveillance technology” does not include event data recorders~~
8 ~~(EDR), sensing and diagnostic modules (SDM), or other systems~~
9 ~~that are used either:~~

10 (A) ~~For the purpose of identifying, diagnosing, or monitoring~~
11 ~~functions related to the potential need to repair, service, or perform~~
12 ~~maintenance on the rental vehicle.~~

13 (B) ~~As part of the vehicle’s airbag sensing and diagnostic system~~
14 ~~in order to capture safety systems-related data for retrieval after a~~
15 ~~crash has occurred or in the event that the collision sensors are~~
16 ~~activated to prepare the decisionmaking computer to make the~~
17 ~~determination to deploy or not to deploy the airbag.~~

18 (7) ~~“Estimated time for replacement” means the number of hours~~
19 ~~of labor, or fraction thereof, needed to replace damaged vehicle~~
20 ~~parts as set forth in collision damage estimating guides generally~~
21 ~~used in the vehicle repair business and commonly known as “crash~~
22 ~~books.”~~

23 (8) ~~“Estimated time for repair” means a good faith estimate of~~
24 ~~the reasonable number of hours of labor, or fraction thereof, needed~~
25 ~~to repair damaged vehicle parts.~~

26 (9) ~~“Membership program” means a service offered by a rental~~
27 ~~company that permits customers to bypass the rental counter and~~
28 ~~go directly to the car previously reserved. A membership program~~
29 ~~shall meet all of the following requirements:~~

30 (A) ~~The renter initiates enrollment by completing an application~~
31 ~~on which the renter can specify a preference for type of vehicle~~
32 ~~and acceptance or declination of optional services.~~

33 (B) ~~The rental company fully discloses, prior to the enrollee’s~~
34 ~~first rental as a participant in the program, all terms and conditions~~
35 ~~of the rental agreement as well as all required disclosures.~~

36 (C) ~~The renter may terminate enrollment at any time.~~

37 (D) ~~The rental company fully explains to the renter that~~
38 ~~designated preferences, as well as acceptance or declination of~~
39 ~~optional services, may be changed by the renter at any time for~~
40 ~~the next and future rentals.~~

1 ~~(E) An employee designated to receive the form specified in~~
2 ~~subparagraph (C) of paragraph (1) of subdivision (t) is present at~~
3 ~~the lot where the renter takes possession of the car, to receive any~~
4 ~~change in the rental agreement from the renter.~~

5 ~~(10) “Passenger vehicle” means a passenger vehicle as defined~~
6 ~~in Section 465 of the Vehicle Code.~~

7 ~~(b) Except as limited by subdivision (c), a rental company and~~
8 ~~a renter may agree that the renter will be responsible for no more~~
9 ~~than all of the following:~~

10 ~~(1) Physical or mechanical damage to the rented vehicle up to~~
11 ~~its fair market value, as determined in the customary market for~~
12 ~~the sale of that vehicle, resulting from collision regardless of the~~
13 ~~cause of the damage.~~

14 ~~(2) Loss due to theft of the rented vehicle up to its fair market~~
15 ~~value, as determined in the customary market for the sale of that~~
16 ~~vehicle, provided that the rental company establishes by clear and~~
17 ~~convincing evidence that the renter or the authorized driver failed~~
18 ~~to exercise ordinary care while in possession of the vehicle. In~~
19 ~~addition, the renter shall be presumed to have no liability for any~~
20 ~~loss due to theft if (A) an authorized driver has possession of the~~
21 ~~ignition key furnished by the rental company or an authorized~~
22 ~~driver establishes that the ignition key furnished by the rental~~
23 ~~company was not in the vehicle at the time of the theft, and (B) an~~
24 ~~authorized driver files an official report of the theft with the police~~
25 ~~or other law enforcement agency within 24 hours of learning of~~
26 ~~the theft and reasonably cooperates with the rental company and~~
27 ~~the police or other law enforcement agency in providing~~
28 ~~information concerning the theft. The presumption set forth in this~~
29 ~~paragraph is a presumption affecting the burden of proof which~~
30 ~~the rental company may rebut by establishing that an authorized~~
31 ~~driver committed, or aided and abetted the commission of, the~~
32 ~~theft.~~

33 ~~(3) Physical damage to the rented vehicle up to its fair market~~
34 ~~value, as determined in the customary market for the sale of that~~
35 ~~vehicle, resulting from vandalism occurring after, or in connection~~
36 ~~with, the theft of the rented vehicle. However, the renter shall have~~
37 ~~no liability for any damage due to vandalism if the renter would~~
38 ~~have no liability for theft pursuant to paragraph (2).~~

1 ~~(4) Physical damage to the rented vehicle up to a total of five~~
2 ~~hundred dollars (\$500) resulting from vandalism unrelated to the~~
3 ~~theft of the rented vehicle.~~

4 ~~(5) Actual charges for towing, storage, and impound fees paid~~
5 ~~by the rental company if the renter is liable for damage or loss.~~

6 ~~(6) An administrative charge, which shall include the cost of~~
7 ~~appraisal and all other costs and expenses incident to the damage,~~
8 ~~loss, repair, or replacement of the rented vehicle.~~

9 ~~(e) The total amount of the renter's liability to the rental~~
10 ~~company resulting from damage to the rented vehicle shall not~~
11 ~~exceed the sum of the following:~~

12 ~~(1) The estimated cost of parts which the rental company would~~
13 ~~have to pay to replace damaged vehicle parts. All discounts and~~
14 ~~price reductions or adjustments that are or will be received by the~~
15 ~~rental company shall be subtracted from the estimate to the extent~~
16 ~~not already incorporated in the estimate, or otherwise promptly~~
17 ~~credited or refunded to the renter.~~

18 ~~(2) The estimated cost of labor to replace damaged vehicle parts,~~
19 ~~which shall not exceed the product of (A) the rate for labor usually~~
20 ~~paid by the rental company to replace vehicle parts of the type that~~
21 ~~were damaged and (B) the estimated time for replacement. All~~
22 ~~discounts and price reductions or adjustments that are or will be~~
23 ~~received by the rental company shall be subtracted from the~~
24 ~~estimate to the extent not already incorporated in the estimate, or~~
25 ~~otherwise promptly credited or refunded to the renter.~~

26 ~~(3) (A) The estimated cost of labor to repair damaged vehicle~~
27 ~~parts, which shall not exceed the lesser of the following:~~

28 ~~(i) The product of the rate for labor usually paid by the rental~~
29 ~~company to repair vehicle parts of the type that were damaged and~~
30 ~~the estimated time for repair.~~

31 ~~(ii) The sum of the estimated labor and parts costs determined~~
32 ~~under paragraphs (1) and (2) to replace the same vehicle parts.~~

33 ~~(B) All discounts and price reductions or adjustments that are~~
34 ~~or will be received by the rental company shall be subtracted from~~
35 ~~the estimate to the extent not already incorporated in the estimate,~~
36 ~~or otherwise promptly credited or refunded to the renter.~~

37 ~~(4) For the purpose of converting the estimated time for repair~~
38 ~~into the same units of time in which the rental rate is expressed, a~~
39 ~~day shall be deemed to consist of eight hours.~~

1 ~~(5) Actual charges for towing, storage, and impound fees paid~~
2 ~~by the rental company.~~

3 ~~(6) The administrative charge described in paragraph (6) of~~
4 ~~subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total~~
5 ~~estimated cost for parts and labor is more than one hundred dollars~~
6 ~~(\$100) up to and including five hundred dollars (\$500), (B) one~~
7 ~~hundred dollars (\$100) if the total estimated cost for parts and~~
8 ~~labor exceeds five hundred dollars (\$500) up to and including one~~
9 ~~thousand five hundred dollars (\$1,500), and (C) one hundred fifty~~
10 ~~dollars (\$150) if the total estimated cost for parts and labor exceeds~~
11 ~~one thousand five hundred dollars (\$1,500). An administrative~~
12 ~~charge shall not be imposed if the total estimated cost of parts and~~
13 ~~labor is one hundred dollars (\$100) or less.~~

14 ~~(d) (1) The total amount of an authorized driver's liability to~~
15 ~~the rental company, if any, for damage occurring during the~~
16 ~~authorized driver's operation of the rented vehicle shall not exceed~~
17 ~~the amount of the renter's liability under subdivision (c).~~

18 ~~(2) A rental company shall not recover from the renter or other~~
19 ~~authorized driver an amount exceeding the renter's liability under~~
20 ~~subdivision (c).~~

21 ~~(3) A claim against a renter resulting from damage or loss,~~
22 ~~excluding loss of use, to a rental vehicle shall be reasonably and~~
23 ~~rationally related to the actual loss incurred. A rental company~~
24 ~~shall mitigate damages where possible and shall not assert or collect~~
25 ~~a claim for physical damage which exceeds the actual costs of the~~
26 ~~repairs performed or the estimated cost of repairs, if the rental~~
27 ~~company chooses not to repair the vehicle, including all discounts~~
28 ~~and price reductions. However, if the vehicle is a total loss vehicle,~~
29 ~~the claim shall not exceed the total loss vehicle value established~~
30 ~~in accordance with procedures that are customarily used by~~
31 ~~insurance companies when paying claims on total loss vehicles,~~
32 ~~less the proceeds from salvaging the vehicle, if those proceeds are~~
33 ~~retained by the rental company.~~

34 ~~(4) If insurance coverage exists under the renter's applicable~~
35 ~~personal or business insurance policy and the coverage is confirmed~~
36 ~~during regular business hours, the renter may require that the rental~~
37 ~~company submit any claims to the renter's applicable personal or~~
38 ~~business insurance carrier. The rental company shall not make any~~
39 ~~written or oral representations that it will not present claims or~~
40 ~~negotiate with the renter's insurance carrier. For purposes of this~~

~~paragraph, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. Upon request of the renter and after confirmation of coverage, the amount of claim shall be resolved between the insurance carrier and the rental company. The renter shall remain responsible for payment to the rental car company for any loss sustained that the renter's applicable personal or business insurance policy does not cover.~~

~~(5) A rental company shall not recover from the renter or other authorized driver for an item described in subdivision (b) to the extent the rental company obtains recovery from another person.~~

~~(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of another person.~~

~~(e) (1) Except as provided in subdivision (f), a damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for a damage, loss, loss of use, or a cost or expense incident thereto.~~

~~(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to a damage waiver is void and unenforceable.~~

~~(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:~~

~~(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.~~

~~(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside the United States.~~

~~(3) An authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false~~

1 information and the rental company would not have rented the
2 vehicle if it had instead received true information.

3 (g) (1) A rental company that offers or provides a damage
4 waiver for any consideration in addition to the rental rate shall
5 clearly and conspicuously disclose the following information in
6 the rental contract or holder in which the contract is placed and,
7 also, in signs posted at the place, such as the counter, where the
8 renter signs the rental contract, and, for renters who are enrolled
9 in the rental company's membership program, in a sign that shall
10 be posted in a location clearly visible to those renters as they enter
11 the location where their reserved rental cars are parked or near the
12 exit of the bus or other conveyance that transports the enrollee to
13 a reserved car: (A) the nature of the renter's liability, such as
14 liability for all collision damage regardless of cause, (B) the extent
15 of the renter's liability, such as liability for damage or loss up to
16 a specified amount, (C) the renter's personal insurance policy or
17 the credit card used to pay for the car rental transaction may
18 provide coverage for all or a portion of the renter's potential
19 liability, (D) the renter should consult with his or her insurer to
20 determine the scope of insurance coverage, including the amount
21 of the deductible, if any, for which the renter is obligated, (E) the
22 renter may purchase an optional damage waiver to cover all
23 liability, subject to whatever exceptions the rental company
24 expressly lists that are permitted under subdivision (f), and (F) the
25 range of charges for the damage waiver.

26 (2) In addition to the requirements of paragraph (1), a rental
27 company that offers or provides a damage waiver shall orally
28 disclose to all renters, except those who are participants in the
29 rental company's membership program, that the damage waiver
30 may be duplicative of coverage that the customer maintains under
31 his or her own policy of motor vehicle insurance. The renter's
32 receipt of the oral disclosure shall be demonstrated through the
33 renter's acknowledging receipt of the oral disclosure near that part
34 of the contract where the renter indicates, by the renter's own
35 initials, his or her acceptance or declination of the damage waiver.
36 Adjacent to that same part, the contract also shall state that the
37 damage waiver is optional. Further, the contract for these renters
38 shall include a clear and conspicuous written disclosure that the
39 damage waiver may be duplicative of coverage that the customer
40 maintains under his or her own policy of motor vehicle insurance.

~~(3) The following is an example, for purposes of illustration and not limitation, of a notice fulfilling the requirements of paragraph (1) for a rental company that imposes liability on the renter for collision damage to the full value of the vehicle:~~

~~“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY
AND OPTIONAL DAMAGE WAIVER~~

~~You are responsible for all collision damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, and towing, storage, and impound fees.~~

~~Your own insurance, or the issuer of the credit card you use to pay for the car rental transaction, may cover all or part of your financial responsibility for the rented vehicle. You should check with your insurance company, or credit card issuer, to find out about your coverage and the amount of the deductible, if any, for which you may be liable.~~

~~Further, if you use a credit card that provides coverage for your potential liability, you should check with the issuer to determine if you must first exhaust the coverage limits of your own insurance before the credit card coverage applies.~~

~~The rental company will not hold you responsible if you buy a damage waiver. But a damage waiver will not protect you if (list exceptions).”~~

~~(A) When the above notice is printed in the rental contract or holder in which the contract is placed, the following shall be printed immediately following the notice:~~

~~“The cost of an optional damage waiver is \$_____ for every (day or week).”~~

~~(B) When the above notice appears on a sign, the following shall appear immediately adjacent to the notice:~~

~~“The cost of an optional damage waiver is \$_____ to \$_____ for every (day or week), depending upon the vehicle rented.”~~

1 ~~(h) Notwithstanding any other provision of law, a rental~~
2 ~~company may sell a damage waiver subject to the following rate~~
3 ~~limitations for each full or partial 24-hour rental day for the damage~~
4 ~~waiver.~~

5 ~~(1) For rental vehicles that the rental company designates as an~~
6 ~~“economy car,” “subcompact car,” “compact car,” or another term~~
7 ~~having similar meaning when offered for rental, or another vehicle~~
8 ~~having a manufacturer’s suggested retail price of nineteen thousand~~
9 ~~dollars (\$19,000) or less, the rate shall not exceed nine dollars~~
10 ~~(\$9).~~

11 ~~(2) For rental vehicles that have a manufacturer’s suggested~~
12 ~~retail price from nineteen thousand one dollars (\$19,001) to~~
13 ~~thirty-four thousand nine hundred ninety-nine dollars (\$34,999),~~
14 ~~inclusive, and that are also either vehicles of next year’s model,~~
15 ~~or not older than the previous year’s model, the rate shall not~~
16 ~~exceed fifteen dollars (\$15). For those rental vehicles older than~~
17 ~~the previous year’s model-year, the rate shall not exceed nine~~
18 ~~dollars (\$9).~~

19 ~~(i) The manufacturer’s suggested retail prices described in~~
20 ~~subdivision (h) shall be adjusted annually to reflect changes from~~
21 ~~the previous year in the Consumer Price Index. For the purposes~~
22 ~~of this section, “Consumer Price Index” means the United States~~
23 ~~Consumer Price Index for All Urban Consumers, for all items.~~

24 ~~(j) A rental company that disseminates in this state an~~
25 ~~advertisement containing a rental rate shall include in that~~
26 ~~advertisement a clearly readable statement of the charge for a~~
27 ~~damage waiver and a statement that a damage waiver is optional.~~

28 ~~(k) (1) A rental company shall not require the purchase of a~~
29 ~~damage waiver, optional insurance, or another optional good or~~
30 ~~service.~~

31 ~~(2) A rental company shall not engage in any unfair, deceptive,~~
32 ~~or coercive conduct to induce a renter to purchase the damage~~
33 ~~waiver, optional insurance, or another optional good or service,~~
34 ~~including conduct such as, but not limited to, refusing to honor~~
35 ~~the renter’s reservation, limiting the availability of vehicles,~~
36 ~~requiring a deposit, or debiting or blocking the renter’s credit card~~
37 ~~account for a sum equivalent to a deposit if the renter declines to~~
38 ~~purchase the damage waiver, optional insurance, or another~~
39 ~~optional good or service.~~

~~(l) (1) In the absence of express permission granted by the renter subsequent to damage to, or loss of, the vehicle, a rental company shall not seek to recover any portion of a claim arising out of damage to, or loss of, the rented vehicle by processing a credit card charge or causing a debit or block to be placed on the renter's credit card account.~~

~~(2) A rental company shall not engage in any unfair, deceptive, or coercive tactics in attempting to recover or in recovering on any claim arising out of damage to, or loss of, the rented vehicle.~~

~~(m) (1) A customer facility charge may be collected by a rental company under the following circumstances:~~

~~(A) Collection of the fee by the rental company is required by an airport operated by a city, a county, a city and county, a joint powers authority, a special district, or the San Diego County Regional Airport Authority formed pursuant to Division 17 (commencing with Section 170000) of the Public Utilities Code.~~

~~(B) The fee is calculated on a per contract basis or as provided in paragraph (2).~~

~~(C) The fee is a user fee, not a tax imposed upon real property or an incidence of property ownership under Article XIII D of the California Constitution.~~

~~(D) Except as otherwise provided in subparagraph (E), the fee shall be ten dollars (\$10) per contract or the amount provided in paragraph (2).~~

~~(E) The fee for a consolidated rental car facility shall be collected only from customers of on-airport rental car companies. If the fee imposed by the airport is for both a consolidated rental car facility and a common-use transportation system, the fee collected from customers of on-airport rental car companies shall be ten dollars (\$10) or the amount provided in paragraph (2), but the fee imposed on customers of off-airport rental car companies who are transported on the common-use transportation system is proportionate to the costs of the common-use transportation system only. The fee is uniformly applied to each class of on-airport or off-airport customers, provided that the airport requires off-airport customers to use the common-use transportation system. For purposes of this subparagraph, "on-airport rental car company" means a rental company operating under an airport property lease or an airport concession or license agreement whose customers use or will use the consolidated rental car facility and the collection~~

1 of the fee as to those customers is consistent with subparagraph
2 (C):

3 (F) Revenues collected from the fee do not exceed the reasonable
4 costs of financing, designing, and constructing the facility and
5 financing, designing, constructing, and operating any common-use
6 transportation system, or acquiring vehicles for use in that system,
7 and shall not be used for any other purpose.

8 (G) The fee is separately identified on the rental agreement.

9 (H) This paragraph does not apply to fees which are governed
10 by Section 50474.1 of the Government Code or Section 57.5 of
11 the San Diego Unified Port District Act.

12 (I) For any airport seeking to require rental car companies to
13 collect an alternative customer facility charge pursuant to paragraph
14 (2), the following provisions apply:

15 (i) Notwithstanding Section 10231.5 of the Government Code,
16 the airport shall provide reports on an annual basis to the Senate
17 and Assembly Committees on Judiciary detailing all of the
18 following:

19 (I) The total amount of the customer facility charge collected.

20 (II) How the funds are being spent.

21 (III) The amount of and reason for any changes in the airport's
22 budget or financial needs for the facility or common-use
23 transportation system.

24 (IV) Whether airport concession fees authorized by Section
25 1936.01 have increased since the prior report, if any.

26 (ii) Use of the bonds shall be limited to construction and design
27 of the consolidated rental car facility, terminal modifications, and
28 operating costs of the common-use transportation system, as
29 specified in paragraph (4) of subdivision (a).

30 (2) Any airport may require rental car companies to collect an
31 alternative customer facility charge under the following conditions:

32 (A) The airport first conducts a publicly noticed hearing pursuant
33 to the Ralph M. Brown Act (Chapter 9 (commencing with Section
34 54950) of Part 1 of Division 2 of Title 5 of the Government Code)
35 to review the costs of financing the design and construction of a
36 consolidated rental car facility and the design, construction, and
37 operation of any common-use transportation system in which all
38 of the following occur:

39 (i) The airport establishes the amount of revenue necessary to
40 finance the reasonable cost to design and construct a consolidated

1 ~~rental car facility and to design, construct, and operate any~~
2 ~~common-use transportation system, or acquire vehicles for use in~~
3 ~~that system, based on evidence presented during the hearing.~~

4 ~~(ii) The airport finds, based on evidence presented during the~~
5 ~~hearing, that the fee authorized in paragraph (1) will not generate~~
6 ~~sufficient revenue to finance the reasonable costs to design and~~
7 ~~construct a consolidated rental car facility and to design, construct,~~
8 ~~and operate any common-use transportation system, or acquire~~
9 ~~vehicles for use in that system.~~

10 ~~(iii) The airport finds that the reasonable cost of the project~~
11 ~~requires the additional amount of revenue that would be generated~~
12 ~~by the proposed daily rate, including any rate increase, authorized~~
13 ~~pursuant to this paragraph.~~

14 ~~(iv) The airport outlines each of the following:~~

15 ~~(I) Steps it has taken to limit costs.~~

16 ~~(II) Other potential alternatives for meeting its revenue needs~~
17 ~~other than the collection of the fee.~~

18 ~~(III) The extent to which rental car companies or other~~
19 ~~businesses or individuals using the facility or common-use~~
20 ~~transportation system will pay for the costs associated with these~~
21 ~~facilities and systems other than the fee from rental customers.~~

22 ~~(B) The airport may not require the fee authorized in this~~
23 ~~paragraph to be collected at any time that the fee authorized in~~
24 ~~paragraph (1) of this subdivision is being collected.~~

25 ~~(C) Pursuant to the procedure set forth in this subdivision, the~~
26 ~~fee may be collected at a rate charged on a per-day basis subject~~
27 ~~to the following conditions:~~

28 ~~(i) Commencing January 1, 2011, the amount of the fee may~~
29 ~~not exceed six dollars (\$6) per day.~~

30 ~~(ii) Commencing January 1, 2014, the amount of the fee may~~
31 ~~not exceed seven dollars and fifty cents (\$7.50) per day.~~

32 ~~(iii) Commencing January 1, 2017, and thereafter, the amount~~
33 ~~of the fee may not exceed nine dollars (\$9) per day.~~

34 ~~(iv) At no time shall the fee authorized in this paragraph be~~
35 ~~collected from any customer for more than five days for each~~
36 ~~individual rental car contract.~~

37 ~~(v) An airport subject to this paragraph shall initiate the process~~
38 ~~for obtaining the authority to require or increase the alternative~~
39 ~~fee no later than January 1, 2018. Any airport that obtains the~~
40 ~~authority to require or increase an alternative fee shall be authorized~~

1 to continue collecting that fee until the fee authorization becomes
2 inoperative pursuant to subparagraph (C) of paragraph (4) of
3 subdivision (a):

4 (3) Notwithstanding any other provision of law, including, but
5 not limited to, Part 1 (commencing with Section 6001) to Part 1.7
6 (commencing with Section 7280), inclusive, of Division 2 of the
7 Revenue and Taxation Code, the fees collected pursuant to this
8 section, or another law whereby a local agency operating an airport
9 requires a rental car company to collect a facility financing fee
10 from its customers, are not subject to sales, use, or transaction
11 taxes.

12 (n) (1) A rental company shall only advertise, quote, and charge
13 a rental rate that includes the entire amount except taxes, a
14 customer facility charge, if any, and a mileage charge, if any, that
15 a renter must pay to hire or lease the vehicle for the period of time
16 to which the rental rate applies. A rental company shall not charge
17 in addition to the rental rate, taxes, a customer facility charge, if
18 any, and a mileage charge, if any, any fee that is required to be
19 paid by the renter as a condition of hiring or leasing the vehicle,
20 including, but not limited to, required fuel or airport surcharges
21 other than customer facility charges, nor a fee for transporting the
22 renter to the location where the rented vehicle will be delivered to
23 the renter.

24 (2) In addition to the rental rate, taxes, customer facility charges,
25 if any, and mileage charges, if any, a rental company may charge
26 for an item or service provided in connection with a particular
27 rental transaction if the renter could have avoided incurring the
28 charge by choosing not to obtain or utilize the optional item or
29 service. Items and services for which the rental company may
30 impose an additional charge include, but are not limited to, optional
31 insurance and accessories requested by the renter, service charges
32 incident to the renter's optional return of the vehicle to a location
33 other than the location where the vehicle was hired or leased, and
34 charges for refueling the vehicle at the conclusion of the rental
35 transaction in the event the renter did not return the vehicle with
36 as much fuel as was in the fuel tank at the beginning of the rental.
37 A rental company also may impose an additional charge based on
38 reasonable age criteria established by the rental company.

39 (3) A rental company shall not charge a fee for authorized
40 drivers in addition to the rental charge for an individual renter.

~~(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall disclose clearly in that advertisement or quotation the terms of mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.~~

~~(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall disclose clearly the existence and amount of the customer facility charge. For purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific amount of the customer facility charge to which the customer will be obligated.~~

~~(B) If a person or entity other than a rental car company, including a passenger carrier or a seller of travel services, advertises or quotes a rate for a car rental at an airport where a customer facility charge is imposed, that person or entity shall, provided that he, she, or it is provided with information about the existence and amount of the fee, to the extent not specifically prohibited by federal law, clearly disclose the existence and amount of the fee in any telephonic, in-person, or computer-transmitted quotation at the time of making an initial quotation of a rental rate and at the time of making a reservation of a rental car. If a rental car company provides the person or entity with rate and customer facility charge information, the rental car company is not responsible for the failure of that person or entity to comply with this subparagraph when quoting or confirming a rate to a third person or entity.~~

~~(6) If a rental company delivers a vehicle to a renter at a location other than the location where the rental company normally carries~~

1 on its business, the rental company shall not charge the renter an
2 amount for the rental for the period before the delivery of the
3 vehicle. If a rental company picks up a rented vehicle from a renter
4 at a location other than the location where the rental company
5 normally carries on its business, the rental company shall not
6 charge the renter an amount for the rental for the period after the
7 renter notifies the rental company to pick up the vehicle.

8 (o) A rental company shall not use, access, or obtain any
9 information relating to the renter's use of the rental vehicle that
10 was obtained using electronic surveillance technology, except in
11 the following circumstances:

12 (1) (A) When the equipment is used by the rental company
13 only for the purpose of locating a stolen, abandoned, or missing
14 rental vehicle after one of the following:

15 (i) The renter or law enforcement has informed the rental
16 company that the vehicle is missing or has been stolen or
17 abandoned.

18 (ii) The rental vehicle has not been returned following one week
19 after the contracted return date, or by one week following the end
20 of an extension of that return date.

21 (iii) The rental company discovers the rental vehicle has been
22 stolen or abandoned, and, if stolen, it shall report the vehicle stolen
23 to law enforcement by filing a stolen vehicle report, unless law
24 enforcement has already informed the rental company that the
25 vehicle is missing or has been stolen or abandoned.

26 (B) If electronic surveillance technology is activated pursuant
27 to subparagraph (A), a rental company shall maintain a record, in
28 either electronic or written form, of information relevant to the
29 activation of that technology. That information shall include the
30 rental agreement, including the return date, and the date and time
31 the electronic surveillance technology was activated. The record
32 shall also include, if relevant, a record of written or other
33 communication with the renter, including communications
34 regarding extensions of the rental, police reports, or other written
35 communication with law enforcement officials. The record shall
36 be maintained for a period of at least 12 months from the time the
37 record is created and shall be made available upon the renter's
38 request. The rental company shall maintain and furnish explanatory
39 codes necessary to read the record. A rental company shall not be
40 required to maintain a record if electronic surveillance technology

1 is activated to recover a rental vehicle that is stolen or missing at
2 a time other than during a rental period.

3 ~~(2) In response to a specific request from law enforcement~~
4 ~~pursuant to a subpoena or search warrant.~~

5 ~~(3) This subdivision does not prohibit a rental company from~~
6 ~~equipping rental vehicles with GPS-based technology that provides~~
7 ~~navigation assistance to the occupants of the rental vehicle, if the~~
8 ~~rental company does not use, access, or obtain information relating~~
9 ~~to the renter's use of the rental vehicle that was obtained using~~
10 ~~that technology, except for the purposes of discovering or repairing~~
11 ~~a defect in the technology and the information may then be used~~
12 ~~only for that purpose.~~

13 ~~(4) This subdivision does not prohibit a rental company from~~
14 ~~equipping rental vehicles with electronic surveillance technology~~
15 ~~that allows for the remote locking or unlocking of the vehicle at~~
16 ~~the request of the renter, if the rental company does not use, access,~~
17 ~~or obtain information relating to the renter's use of the rental~~
18 ~~vehicle that was obtained using that technology, except as~~
19 ~~necessary to lock or unlock the vehicle.~~

20 ~~(5) This subdivision does not prohibit a rental company from~~
21 ~~equipping rental vehicles with electronic surveillance technology~~
22 ~~that allows the company to provide roadside assistance, such as~~
23 ~~towing, flat tire, or fuel services, at the request of the renter, if the~~
24 ~~rental company does not use, access, or obtain information relating~~
25 ~~to the renter's use of the rental vehicle that was obtained using~~
26 ~~that technology except as necessary to provide the requested~~
27 ~~roadside assistance.~~

28 ~~(6) This subdivision does not prohibit a rental company from~~
29 ~~obtaining, accessing, or using information from electronic~~
30 ~~surveillance technology for the sole purpose of determining the~~
31 ~~date and time the vehicle is returned to the rental company, and~~
32 ~~the total mileage driven and the vehicle fuel level of the returned~~
33 ~~vehicle. This paragraph, however, shall apply only after the renter~~
34 ~~has returned the vehicle to the rental company, and the information~~
35 ~~shall only be used for the purpose described in this paragraph.~~

36 ~~(p) A rental company shall not use electronic surveillance~~
37 ~~technology to track a renter in order to impose fines or surcharges~~
38 ~~relating to the renter's use of the rental vehicle.~~

39 ~~(q) A renter may bring an action against a rental company for~~
40 ~~the recovery of damages and appropriate equitable relief for a~~

1 violation of this section. The prevailing party shall be entitled to
2 recover reasonable attorney's fees and costs.

3 (r) A rental company that brings an action against a renter for
4 loss due to theft of the vehicle shall bring the action in the county
5 in which the renter resides or, if the renter is not a resident of this
6 state, in the jurisdiction in which the renter resides.

7 (s) A waiver of any of the provisions of this section shall be
8 void and unenforceable as contrary to public policy.

9 (t) (1) A rental company's disclosure requirements shall be
10 satisfied for renters who are enrolled in the rental company's
11 membership program if all of the following conditions are met:

12 (A) Prior to the enrollee's first rental as a participant in the
13 program, the renter receives, in writing, the following:

14 (i) All of the disclosures required by paragraph (1) of subdivision
15 (g), including the terms and conditions of the rental agreement
16 then in effect.

17 (ii) An Internet Web site address, as well as a contact number
18 or address, where the enrollee can learn of changes to the rental
19 agreement or to the laws of this state governing rental agreements
20 since the effective date of the rental company's most recent
21 restatement of the rental agreement and distribution of that
22 restatement to its members.

23 (B) At the commencement of each rental period, the renter is
24 provided, on the rental record or the folder in which it is inserted,
25 with a printed notice stating that he or she had either previously
26 selected or declined an optional damage waiver and that the renter
27 has the right to change preferences.

28 (C) At the commencement of each rental period, the rental
29 company provides, on the rearview mirror, a hanger on which a
30 statement is printed, in a box, in at least 12-point boldface type,
31 notifying the renter that the collision damage waiver offered by
32 the rental company may be duplicative of coverage that the
33 customer maintains under his or her own policy of motor vehicle
34 insurance. If it is not feasible to hang the statement from the
35 rearview mirror, it shall be hung from the steering wheel.

36 The hanger shall provide the renter a box to initial if he or she
37 (not his or her employer) has previously accepted or declined the
38 collision damage waiver and that he or she now wishes to change
39 his or her decision to accept or decline the collision damage waiver,
40 as follows:

1
2 ~~“☐ If I previously accepted the collision damage waiver, I~~
3 ~~now decline it.~~

4
5 ~~☐ If I previously declined the collision damage waiver, I now~~
6 ~~accept it.”~~

7
8 The hanger shall also provide a box for the enrollee to indicate
9 whether this change applies to this rental transaction only or to all
10 future rental transactions. The hanger shall also notify the renter
11 that he or she may make that change, prior to leaving the lot, by
12 returning the form to an employee designated to receive the form
13 who is present at the lot where the renter takes possession of the
14 car, to receive any change in the rental agreement from the renter.

15 ~~(2) (A) This subdivision is not effective unless the employee~~
16 ~~designated pursuant to subparagraph (E) of paragraph (8) of~~
17 ~~subdivision (a) is actually present at the required location.~~

18 ~~(B) This subdivision does not relieve the rental company from~~
19 ~~the disclosures required to be made within the text of a contract~~
20 ~~or holder in which the contract is placed; in or on an advertisement~~
21 ~~containing a rental rate; or in a telephonic, in-person, or~~
22 ~~computer-transmitted quotation or reservation.~~

23 ~~(u) The amendments made to this section during the 2001–02~~
24 ~~Regular Session of the Legislature do not affect litigation pending~~
25 ~~on or before January 1, 2003, alleging a violation of Section 22325~~
26 ~~of the Business and Professions Code as it read at the time the~~
27 ~~action was commenced.~~

28 ~~(v) (1) When a rental company enters into a rental agreement~~
29 ~~in the state for the rental of a vehicle to any renter who is not a~~
30 ~~resident of this country and, as part of, or associated with, the rental~~
31 ~~agreement, the renter purchases liability insurance, as defined in~~
32 ~~subdivision (b) of Section 1758.85 of the Insurance Code, from~~
33 ~~the rental company in its capacity as a rental car agent for an~~
34 ~~authorized insurer, the rental company shall be authorized to accept,~~
35 ~~and, if served as set forth in this subdivision, shall accept, service~~
36 ~~of a summons and complaint and any other required documents~~
37 ~~against the foreign renter for any accident or collision resulting~~
38 ~~from the operation of the rental vehicle within the state during the~~
39 ~~rental period. If the rental company has a registered agent for~~
40 ~~service of process on file with the Secretary of State, process shall~~

1 be served on the rental company's registered agent, either by
2 first-class mail, return receipt requested, or by personal service.

3 (2) Within 30 days of acceptance of service of process, the rental
4 company shall, provide a copy of the summons and complaint and
5 any other required documents served in accordance with this
6 subdivision to the foreign renter by first-class mail, return receipt
7 requested.

8 (3) Any plaintiff, or his or her representative, who elects to serve
9 the foreign renter by delivering a copy of the summons and
10 complaint and any other required documents to the rental company
11 pursuant to paragraph (1) shall agree to limit his or her recovery
12 against the foreign renter and the rental company to the limits of
13 the protection extended by the liability insurance.

14 (4) Notwithstanding the requirements of Sections 17450 to
15 17456, inclusive, of the Vehicle Code, service of process in
16 compliance with paragraph (1) shall be deemed valid and effective
17 service.

18 (5) Notwithstanding any other provision of law, the requirement
19 that the rental company accept service of process pursuant to
20 paragraph (1) shall not create any duty, obligation, or agency
21 relationship other than that provided in paragraph (1).

22 (w) This section shall remain in effect only until January 1,
23 2015, and as of that date is repealed, unless a later enacted statute,
24 that is enacted before January 1, 2015, deletes or extends that date.

25 SEC. 2. Section 1936 of the Civil Code, as amended by Section
26 3 of Chapter 32 of the Statutes of 2012, is amended to read:

27 1936. (a) For the purpose of this section, the following
28 definitions shall apply:

29 (1) "Rental company" means a person or entity in the business
30 of renting passenger vehicles to the public.

31 (2) "Renter" means any person in a manner obligated under a
32 contract for the lease or hire of a passenger vehicle from a rental
33 company for a period of less than 30 days.

34 (3) "Authorized driver" means (A) the renter, (B) the renter's
35 spouse if that person is a licensed driver and satisfies the rental
36 company's minimum age requirement, (C) the renter's employer
37 or coworker if he or she is engaged in business activity with the
38 renter, is a licensed driver, and satisfies the rental company's
39 minimum age requirement, and (D) a person expressly listed by
40 the rental company on the renter's contract as an authorized driver.

1 ~~(4) (A) “Customer facility charge” means any fee, including~~
2 ~~an alternative fee, required by an airport to be collected by a rental~~
3 ~~company from a renter for any of the following purposes:~~

4 ~~(i) To finance, design, and construct consolidated airport car~~
5 ~~rental facilities.~~

6 ~~(ii) To finance, design, construct, and operate common-use~~
7 ~~transportation systems that move passengers between airport~~
8 ~~terminals and those consolidated car rental facilities, and acquire~~
9 ~~vehicles for use in that system.~~

10 ~~(iii) To finance, design, and construct terminal modifications~~
11 ~~solely to accommodate and provide customer access to~~
12 ~~common-use transportation systems.~~

13 ~~(B) The aggregate amount to be collected shall not exceed the~~
14 ~~reasonable costs to finance, design, and construct those facilities.~~
15 ~~Copies of the customer facility charge information shall be~~
16 ~~provided to the Assembly and Senate Committees on Judiciary,~~
17 ~~the Assembly Committee on Transportation, and the Senate~~
18 ~~Committee on Transportation and Housing. Notwithstanding clause~~
19 ~~(iii) of subparagraph (A), the fees designated as a customer facility~~
20 ~~charge shall not be used to pay for terminal expansion, gate~~
21 ~~expansion, runway expansion, changes in hours of operation, or~~
22 ~~changes in the number of flights arriving or departing from the~~
23 ~~airport.~~

24 ~~(C) Except as provided in subparagraph (D), the authorization~~
25 ~~given pursuant to this section for an airport to impose a customer~~
26 ~~facility charge shall become inoperative when the bonds used for~~
27 ~~financing are paid.~~

28 ~~(D) If a bond or other form of indebtedness is not used for~~
29 ~~financing, or the bond or other form of indebtedness used for~~
30 ~~financing has been paid, the Oakland International Airport may~~
31 ~~require the collection of a customer facility charge for a period of~~
32 ~~up to 10 years from the imposition of the charge for the purposes~~
33 ~~allowed by, and subject to the conditions imposed by, this section.~~

34 ~~(5) “Damage waiver” means a rental company’s agreement not~~
35 ~~to hold a renter liable for all or any portion of any damage or loss~~
36 ~~related to the rented vehicle, any loss of use of the rented vehicle,~~
37 ~~or any storage, impound, towing, or administrative charges.~~

38 ~~(6) “Electronic surveillance technology” means a technological~~
39 ~~method or system used to observe, monitor, or collect information,~~
40 ~~including telematics, Global Positioning System (GPS), wireless~~

1 technology, — or — location-based — technologies. — “Electronic
2 surveillance technology” does not include event data recorders
3 (EDR), sensing and diagnostic modules (SDM), or other systems
4 that are used either:

5 (A) For the purpose of identifying, diagnosing, or monitoring
6 functions related to the potential need to repair, service, or perform
7 maintenance on the rental vehicle.

8 (B) As part of the vehicle’s airbag sensing and diagnostic system
9 in order to capture safety systems-related data for retrieval after a
10 crash has occurred or in the event that the collision sensors are
11 activated to prepare the decisionmaking computer to make the
12 determination to deploy or not to deploy the airbag.

13 (7) “Estimated time for replacement” means the number of hours
14 of labor, or fraction thereof, needed to replace damaged vehicle
15 parts as set forth in collision damage estimating guides generally
16 used in the vehicle repair business and commonly known as “crash
17 books.”

18 (8) “Estimated time for repair” means a good faith estimate of
19 the reasonable number of hours of labor, or fraction thereof, needed
20 to repair damaged vehicle parts.

21 (9) “Membership program” means a service offered by a rental
22 company that permits customers to bypass the rental counter and
23 go directly to the car previously reserved. A membership program
24 shall meet all of the following requirements:

25 (A) The renter initiates enrollment by completing an application
26 on which the renter can specify a preference for type of vehicle
27 and acceptance or declination of optional services.

28 (B) The rental company fully discloses, prior to the enrollee’s
29 first rental as a participant in the program, all terms and conditions
30 of the rental agreement as well as all required disclosures.

31 (C) The renter may terminate enrollment at any time.

32 (D) The rental company fully explains to the renter that
33 designated preferences, as well as acceptance or declination of
34 optional services, may be changed by the renter at any time for
35 the next and future rentals.

36 (E) An employee designated to receive the form specified in
37 subparagraph (C) of paragraph (1) of subdivision (t) is present at
38 the lot where the renter takes possession of the car, to receive any
39 change in the rental agreement from the renter.

1 ~~(10) “Passenger vehicle” means a passenger vehicle as defined~~
2 ~~in Section 465 of the Vehicle Code.~~

3 ~~(b) Except as limited by subdivision (c), a rental company and~~
4 ~~a renter may agree that the renter will be responsible for no more~~
5 ~~than all of the following:~~

6 ~~(1) Physical or mechanical damage to the rented vehicle up to~~
7 ~~its fair market value, as determined in the customary market for~~
8 ~~the sale of that vehicle, resulting from collision regardless of the~~
9 ~~cause of the damage.~~

10 ~~(2) Loss due to theft of the rented vehicle up to its fair market~~
11 ~~value, as determined in the customary market for the sale of that~~
12 ~~vehicle, provided that the rental company establishes by clear and~~
13 ~~convincing evidence that the renter or the authorized driver failed~~
14 ~~to exercise ordinary care while in possession of the vehicle. In~~
15 ~~addition, the renter shall be presumed to have no liability for any~~
16 ~~loss due to theft if (A) an authorized driver has possession of the~~
17 ~~ignition key furnished by the rental company or an authorized~~
18 ~~driver establishes that the ignition key furnished by the rental~~
19 ~~company was not in the vehicle at the time of the theft, and (B) an~~
20 ~~authorized driver files an official report of the theft with the police~~
21 ~~or other law enforcement agency within 24 hours of learning of~~
22 ~~the theft and reasonably cooperates with the rental company and~~
23 ~~the police or other law enforcement agency in providing~~
24 ~~information concerning the theft. The presumption set forth in this~~
25 ~~paragraph is a presumption affecting the burden of proof which~~
26 ~~the rental company may rebut by establishing that an authorized~~
27 ~~driver committed, or aided and abetted the commission of, the~~
28 ~~theft.~~

29 ~~(3) Physical damage to the rented vehicle up to its fair market~~
30 ~~value, as determined in the customary market for the sale of that~~
31 ~~vehicle, resulting from vandalism occurring after, or in connection~~
32 ~~with, the theft of the rented vehicle. However, the renter shall have~~
33 ~~no liability for any damage due to vandalism if the renter would~~
34 ~~have no liability for theft pursuant to paragraph (2).~~

35 ~~(4) Physical damage to the rented vehicle up to a total of five~~
36 ~~hundred dollars (\$500) resulting from vandalism unrelated to the~~
37 ~~theft of the rented vehicle.~~

38 ~~(5) Actual charges for towing, storage, and impound fees paid~~
39 ~~by the rental company if the renter is liable for damage or loss.~~

1 ~~(6) An administrative charge, which shall include the cost of~~
2 ~~appraisal and all other costs and expenses incident to the damage,~~
3 ~~loss, repair, or replacement of the rented vehicle.~~

4 ~~(e) The total amount of the renter's liability to the rental~~
5 ~~company resulting from damage to the rented vehicle shall not~~
6 ~~exceed the sum of the following:~~

7 ~~(1) The estimated cost of parts which the rental company would~~
8 ~~have to pay to replace damaged vehicle parts. All discounts and~~
9 ~~price reductions or adjustments that are or will be received by the~~
10 ~~rental company shall be subtracted from the estimate to the extent~~
11 ~~not already incorporated in the estimate, or otherwise promptly~~
12 ~~credited or refunded to the renter.~~

13 ~~(2) The estimated cost of labor to replace damaged vehicle parts,~~
14 ~~which shall not exceed the product of (A) the rate for labor usually~~
15 ~~paid by the rental company to replace vehicle parts of the type that~~
16 ~~were damaged and (B) the estimated time for replacement. All~~
17 ~~discounts and price reductions or adjustments that are or will be~~
18 ~~received by the rental company shall be subtracted from the~~
19 ~~estimate to the extent not already incorporated in the estimate, or~~
20 ~~otherwise promptly credited or refunded to the renter.~~

21 ~~(3) (A) The estimated cost of labor to repair damaged vehicle~~
22 ~~parts, which shall not exceed the lesser of the following:~~

23 ~~(i) The product of the rate for labor usually paid by the rental~~
24 ~~company to repair vehicle parts of the type that were damaged and~~
25 ~~the estimated time for repair.~~

26 ~~(ii) The sum of the estimated labor and parts costs determined~~
27 ~~under paragraphs (1) and (2) to replace the same vehicle parts.~~

28 ~~(B) All discounts and price reductions or adjustments that are~~
29 ~~or will be received by the rental company shall be subtracted from~~
30 ~~the estimate to the extent not already incorporated in the estimate,~~
31 ~~or otherwise promptly credited or refunded to the renter.~~

32 ~~(4) For the purpose of converting the estimated time for repair~~
33 ~~into the same units of time in which the rental rate is expressed, a~~
34 ~~day shall be deemed to consist of eight hours.~~

35 ~~(5) Actual charges for towing, storage, and impound fees paid~~
36 ~~by the rental company.~~

37 ~~(6) The administrative charge described in paragraph (6) of~~
38 ~~subdivision (b) shall not exceed (A) fifty dollars (\$50) if the total~~
39 ~~estimated cost for parts and labor is more than one hundred dollars~~
40 ~~(\$100) up to and including five hundred dollars (\$500), (B) one~~

1 hundred dollars (\$100) if the total estimated cost for parts and
2 labor exceeds five hundred dollars (\$500) up to and including one
3 thousand five hundred dollars (\$1,500), and (C) one hundred fifty
4 dollars (\$150) if the total estimated cost for parts and labor exceeds
5 one thousand five hundred dollars (\$1,500). An administrative
6 charge shall not be imposed if the total estimated cost of parts and
7 labor is one hundred dollars (\$100) or less.

8 (d) (1) The total amount of an authorized driver's liability to
9 the rental company, if any, for damage occurring during the
10 authorized driver's operation of the rented vehicle shall not exceed
11 the amount of the renter's liability under subdivision (c).

12 (2) A rental company shall not recover from the renter or other
13 authorized driver an amount exceeding the renter's liability under
14 subdivision (c).

15 (3) A claim against a renter resulting from damage or loss,
16 excluding loss of use, to a rental vehicle shall be reasonably and
17 rationally related to the actual loss incurred. A rental company
18 shall mitigate damages where possible and shall not assert or collect
19 a claim for physical damage which exceeds the actual costs of the
20 repairs performed or the estimated cost of repairs, if the rental
21 company chooses not to repair the vehicle, including all discounts
22 and price reductions. However, if the vehicle is a total loss vehicle,
23 the claim shall not exceed the total loss vehicle value established
24 in accordance with procedures that are customarily used by
25 insurance companies when paying claims on total loss vehicles,
26 less the proceeds from salvaging the vehicle, if those proceeds are
27 retained by the rental company.

28 (4) If insurance coverage exists under the renter's applicable
29 personal or business insurance policy and the coverage is confirmed
30 during regular business hours, the renter may require that the rental
31 company submit any claims to the renter's applicable personal or
32 business insurance carrier. The rental company shall not make any
33 written or oral representations that it will not present claims or
34 negotiate with the renter's insurance carrier. For purposes of this
35 paragraph, confirmation of coverage includes telephone
36 confirmation from insurance company representatives during
37 regular business hours. Upon request of the renter and after
38 confirmation of coverage, the amount of claim shall be resolved
39 between the insurance carrier and the rental company. The renter
40 shall remain responsible for payment to the rental car company

1 for any loss sustained that the renter's applicable personal or
2 business insurance policy does not cover.

3 (5) A rental company shall not recover from the renter or other
4 authorized driver for an item described in subdivision (b) to the
5 extent the rental company obtains recovery from another person.

6 (6) This section applies only to the maximum liability of a renter
7 or other authorized driver to the rental company resulting from
8 damage to the rented vehicle and not to the liability of another
9 person.

10 (e) (1) Except as provided in subdivision (f), a damage waiver
11 shall provide or, if not expressly stated in writing, shall be deemed
12 to provide that the renter has no liability for a damage, loss, loss
13 of use, or a cost or expense incident thereto.

14 (2) Except as provided in subdivision (f), every limitation,
15 exception, or exclusion to a damage waiver is void and
16 unenforceable.

17 (f) A rental company may provide in the rental contract that a
18 damage waiver does not apply under any of the following
19 circumstances:

20 (1) Damage or loss results from an authorized driver's (A)
21 intentional, willful, wanton, or reckless conduct, (B) operation of
22 the vehicle under the influence of drugs or alcohol in violation of
23 Section 23152 of the Vehicle Code, (C) towing or pushing
24 anything, or (D) operation of the vehicle on an unpaved road if
25 the damage or loss is a direct result of the road or driving
26 conditions.

27 (2) Damage or loss occurs while the vehicle is (A) used for
28 commercial hire, (B) used in connection with conduct that could
29 be properly charged as a felony, (C) involved in a speed test or
30 contest or in driver training activity, (D) operated by a person other
31 than an authorized driver, or (E) operated outside the United States.

32 (3) An authorized driver who has (A) provided fraudulent
33 information to the rental company, or (B) provided false
34 information and the rental company would not have rented the
35 vehicle if it had instead received true information.

36 (g) (1) A rental company that offers or provides a damage
37 waiver for any consideration in addition to the rental rate shall
38 clearly and conspicuously disclose the following information in
39 the rental contract or holder in which the contract is placed and,
40 also, in signs posted at the place, such as the counter, where the

1 renter signs the rental contract, and, for renters who are enrolled
2 in the rental company's membership program, in a sign that shall
3 be posted in a location clearly visible to those renters as they enter
4 the location where their reserved rental cars are parked or near the
5 exit of the bus or other conveyance that transports the enrollee to
6 a reserved car: (A) the nature of the renter's liability, such as
7 liability for all collision damage regardless of cause, (B) the extent
8 of the renter's liability, such as liability for damage or loss up to
9 a specified amount, (C) the renter's personal insurance policy or
10 the credit card used to pay for the car rental transaction may
11 provide coverage for all or a portion of the renter's potential
12 liability, (D) the renter should consult with his or her insurer to
13 determine the scope of insurance coverage, including the amount
14 of the deductible, if any, for which the renter is obligated, (E) the
15 renter may purchase an optional damage waiver to cover all
16 liability, subject to whatever exceptions the rental company
17 expressly lists that are permitted under subdivision (f), and (F) the
18 range of charges for the damage waiver.

19 (2) In addition to the requirements of paragraph (1), a rental
20 company that offers or provides a damage waiver shall orally
21 disclose to all renters, except those who are participants in the
22 rental company's membership program, that the damage waiver
23 may be duplicative of coverage that the customer maintains under
24 his or her own policy of motor vehicle insurance. The renter's
25 receipt of the oral disclosure shall be demonstrated through the
26 renter's acknowledging receipt of the oral disclosure near that part
27 of the contract where the renter indicates, by the renter's own
28 initials, his or her acceptance or declination of the damage waiver.
29 Adjacent to that same part, the contract also shall state that the
30 damage waiver is optional. Further, the contract for these renters
31 shall include a clear and conspicuous written disclosure that the
32 damage waiver may be duplicative of coverage that the customer
33 maintains under his or her own policy of motor vehicle insurance.

34 (3) The following is an example, for purposes of illustration
35 and not limitation, of a notice fulfilling the requirements of
36 paragraph (1) for a rental company that imposes liability on the
37 renter for collision damage to the full value of the vehicle:

1 ~~“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY~~
2 ~~AND OPTIONAL DAMAGE WAIVER~~

3
4 ~~You are responsible for all collision damage to the rented vehicle~~
5 ~~even if someone else caused it or the cause is unknown. You are~~
6 ~~responsible for the cost of repair up to the value of the vehicle,~~
7 ~~and towing, storage, and impound fees.~~

8 ~~Your own insurance, or the issuer of the credit card you use to~~
9 ~~pay for the car rental transaction, may cover all or part of your~~
10 ~~financial responsibility for the rented vehicle. You should check~~
11 ~~with your insurance company, or credit card issuer, to find out~~
12 ~~about your coverage and the amount of the deductible, if any, for~~
13 ~~which you may be liable.~~

14 ~~Further, if you use a credit card that provides coverage for your~~
15 ~~potential liability, you should check with the issuer to determine~~
16 ~~if you must first exhaust the coverage limits of your own insurance~~
17 ~~before the credit card coverage applies.~~

18 ~~The rental company will not hold you responsible if you buy a~~
19 ~~damage waiver. But a damage waiver will not protect you if (list~~
20 ~~exceptions).”~~

21 ~~(A) When the above notice is printed in the rental contract or~~
22 ~~holder in which the contract is placed, the following shall be printed~~
23 ~~immediately following the notice:~~

24 ~~“The cost of an optional damage waiver is \$_____ for every (day~~
25 ~~or week).”~~

26 ~~(B) When the above notice appears on a sign, the following~~
27 ~~shall appear immediately adjacent to the notice:~~

28 ~~“The cost of an optional damage waiver is \$_____ to \$_____ for~~
29 ~~every (day or week), depending upon the vehicle rented.”~~

30 ~~(h) Notwithstanding any other provision of law, a rental~~
31 ~~company may sell a damage waiver subject to the following rate~~
32 ~~limitations for each full or partial 24-hour rental day for the damage~~
33 ~~waiver.~~

34 ~~(1) For rental vehicles that the rental company designates as an~~
35 ~~“economy car,” “subcompact car,” “compact car,” or another term~~
36 ~~having similar meaning when offered for rental, or another vehicle~~
37 ~~having a manufacturer’s suggested retail price of nineteen thousand~~
38 ~~dollars (\$19,000) or less, the rate shall not exceed nine dollars~~
39 ~~(\$9).~~

~~(2) For rental vehicles that have a manufacturer's suggested retail price from nineteen thousand one dollars (\$19,001) to thirty-four thousand nine hundred ninety-nine dollars (\$34,999), inclusive, and that are also either vehicles of next year's model, or not older than the previous year's model, the rate shall not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year's model-year, the rate shall not exceed nine dollars (\$9).~~

~~(i) The manufacturer's suggested retail prices described in subdivision (h) shall be adjusted annually to reflect changes from the previous year in the Consumer Price Index. For the purposes of this section, "Consumer Price Index" means the United States Consumer Price Index for All Urban Consumers, for all items.~~

~~(j) A rental company that disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for a damage waiver and a statement that a damage waiver is optional.~~

~~(k) (1) A rental company shall not require the purchase of a damage waiver, optional insurance, or another optional good or service.~~

~~(2) A rental company shall not engage in any unfair, deceptive, or coercive conduct to induce a renter to purchase the damage waiver, optional insurance, or another optional good or service, including conduct such as, but not limited to, refusing to honor the renter's reservation, limiting the availability of vehicles, requiring a deposit, or debiting or blocking the renter's credit card account for a sum equivalent to a deposit if the renter declines to purchase the damage waiver, optional insurance, or another optional good or service.~~

~~(l) (1) In the absence of express permission granted by the renter subsequent to damage to, or loss of, the vehicle, a rental company shall not seek to recover any portion of a claim arising out of damage to, or loss of, the rented vehicle by processing a credit card charge or causing a debit or block to be placed on the renter's credit card account.~~

~~(2) A rental company shall not engage in any unfair, deceptive, or coercive tactics in attempting to recover or in recovering on any claim arising out of damage to, or loss of, the rented vehicle.~~

~~(m) (1) A customer facility charge may be collected by a rental company under the following circumstances:~~

1 ~~(A) Collection of the fee by the rental company is required by~~
2 ~~an airport operated by a city, a county, a city and county, a joint~~
3 ~~powers authority, a special district, or the San Diego County~~
4 ~~Regional Airport Authority formed pursuant to Division 17~~
5 ~~(commencing with Section 170000) of the Public Utilities Code.~~

6 ~~(B) The fee is calculated on a per contract basis or as provided~~
7 ~~in paragraph (2).~~

8 ~~(C) The fee is a user fee, not a tax imposed upon real property~~
9 ~~or an incidence of property ownership under Article XIII D of the~~
10 ~~California Constitution.~~

11 ~~(D) Except as otherwise provided in subparagraph (E), the fee~~
12 ~~shall be ten dollars (\$10) per contract or the amount provided in~~
13 ~~paragraph (2).~~

14 ~~(E) The fee for a consolidated rental car facility shall be~~
15 ~~collected only from customers of on-airport rental car companies.~~
16 ~~If the fee imposed by the airport is for both a consolidated rental~~
17 ~~car facility and a common-use transportation system, the fee~~
18 ~~collected from customers of on-airport rental car companies shall~~
19 ~~be ten dollars (\$10) or the amount provided in paragraph (2), but~~
20 ~~the fee imposed on customers of off-airport rental car companies~~
21 ~~who are transported on the common-use transportation system is~~
22 ~~proportionate to the costs of the common-use transportation system~~
23 ~~only. The fee is uniformly applied to each class of on-airport or~~
24 ~~off-airport customers, provided that the airport requires off-airport~~
25 ~~customers to use the common-use transportation system. For~~
26 ~~purposes of this subparagraph, "on-airport rental car company"~~
27 ~~means a rental company operating under an airport property lease~~
28 ~~or an airport concession or license agreement whose customers~~
29 ~~use or will use the consolidated rental car facility and the collection~~
30 ~~of the fee as to those customers is consistent with subparagraph~~
31 ~~(C).~~

32 ~~(F) Revenues collected from the fee do not exceed the reasonable~~
33 ~~costs of financing, designing, and constructing the facility and~~
34 ~~financing, designing, constructing, and operating any common-use~~
35 ~~transportation system, or acquiring vehicles for use in that system,~~
36 ~~and shall not be used for any other purpose.~~

37 ~~(G) The fee is separately identified on the rental agreement.~~

38 ~~(H) This paragraph does not apply to fees which are governed~~
39 ~~by Section 50474.1 of the Government Code or Section 57.5 of~~
40 ~~the San Diego Unified Port District Act.~~

1 ~~(I) For any airport seeking to require rental car companies to~~
2 ~~collect an alternative customer facility charge pursuant to paragraph~~
3 ~~(2), the following provisions apply:~~

4 ~~(i) Notwithstanding Section 10231.5 of the Government Code,~~
5 ~~the airport shall provide reports on an annual basis to the Senate~~
6 ~~and Assembly Committees on Judiciary detailing all of the~~
7 ~~following:~~

8 ~~(I) The total amount of the customer facility charge collected.~~

9 ~~(II) How the funds are being spent.~~

10 ~~(III) The amount of and reason for any changes in the airport's~~
11 ~~budget or financial needs for the facility or common-use~~
12 ~~transportation system.~~

13 ~~(IV) Whether airport concession fees authorized by Section~~
14 ~~1936.01 have increased since the prior report, if any.~~

15 ~~(ii) The airport shall complete the independent audit required~~
16 ~~by subparagraph (B) of paragraph (4) of subdivision (a) prior to~~
17 ~~initial collection of the customer facility charge, prior to any~~
18 ~~increase pursuant to paragraph (2), and every three years after~~
19 ~~initial collection and any increase until such time as the fee~~
20 ~~authorization becomes inoperative pursuant to subparagraph (C)~~
21 ~~of paragraph (4) of subdivision (a).~~

22 ~~(iii) Use of the bonds shall be limited to construction and design~~
23 ~~of the consolidated rental car facility, terminal modifications, and~~
24 ~~operating costs of the common-use transportation system, as~~
25 ~~specified in paragraph (4) of subdivision (a).~~

26 ~~(2) Any airport may require rental car companies to collect an~~
27 ~~alternative customer facility charge under the following conditions:~~

28 ~~(A) The airport first conducts a publicly noticed hearing pursuant~~
29 ~~to the Ralph M. Brown Act (Chapter 9 (commencing with Section~~
30 ~~54950) of Part 1 of Division 2 of Title 5 of the Government Code)~~
31 ~~to review the costs of financing the design and construction of a~~
32 ~~consolidated rental car facility and the design, construction, and~~
33 ~~operation of any common-use transportation system in which all~~
34 ~~of the following occur:~~

35 ~~(i) The airport establishes the amount of revenue necessary to~~
36 ~~finance the reasonable cost to design and construct a consolidated~~
37 ~~rental car facility and to design, construct, and operate any~~
38 ~~common-use transportation system, or acquire vehicles for use in~~
39 ~~that system, based on evidence presented during the hearing.~~

1 (ii) ~~The airport finds that the reasonable cost of the project~~
2 ~~requires the additional amount of revenue that would be generated~~
3 ~~by the proposed daily rate, including any rate increase, authorized~~
4 ~~pursuant to this paragraph.~~

5 (iii) ~~The airport outlines each of the following:~~

6 ~~(I) Steps it has taken to limit costs.~~

7 ~~(II) Other potential alternatives for meeting its revenue needs~~
8 ~~other than the collection of the fee.~~

9 ~~(III) The extent to which rental car companies or other~~
10 ~~businesses or individuals using the facility or common-use~~
11 ~~transportation system will pay for the costs associated with these~~
12 ~~facilities and systems other than the fee from rental customers.~~

13 ~~(B) The airport may not require the fee authorized in this~~
14 ~~paragraph to be collected at any time that the fee authorized in~~
15 ~~paragraph (1) of this subdivision is being collected.~~

16 ~~(C) Pursuant to the procedure set forth in this subdivision, the~~
17 ~~fee may be collected at a rate charged on a per-day basis subject~~
18 ~~to the following conditions:~~

19 ~~(i) Commencing January 1, 2011, the amount of the fee may~~
20 ~~not exceed six dollars (\$6) per day.~~

21 ~~(ii) Commencing January 1, 2014, the amount of the fee may~~
22 ~~not exceed seven dollars and fifty cents (\$7.50) per day.~~

23 ~~(iii) Commencing January 1, 2017, and thereafter, the amount~~
24 ~~of the fee may not exceed nine dollars (\$9) per day.~~

25 ~~(iv) At no time shall the fee authorized in this paragraph be~~
26 ~~collected from any customer for more than five days for each~~
27 ~~individual rental car contract.~~

28 ~~(v) An airport subject to this paragraph shall initiate the process~~
29 ~~for obtaining the authority to require or increase the alternative~~
30 ~~fee no later than January 1, 2018. Any airport that obtains the~~
31 ~~authority to require or increase an alternative fee shall be authorized~~
32 ~~to continue collecting that fee until the fee authorization becomes~~
33 ~~inoperative pursuant to subparagraph (C) of paragraph (4) of~~
34 ~~subdivision (a).~~

35 ~~(3) Notwithstanding any other provision of law, including, but~~
36 ~~not limited to, Part 1 (commencing with Section 6001) to Part 1.7~~
37 ~~(commencing with Section 7280), inclusive, of Division 2 of the~~
38 ~~Revenue and Taxation Code, the fees collected pursuant to this~~
39 ~~section, or another law whereby a local agency operating an airport~~
40 ~~requires a rental car company to collect a facility financing fee~~

1 from its customers, are not subject to sales, use, or transaction
2 taxes.

3 (n) (1) A rental company shall only advertise, quote, and charge
4 a rental rate that includes the entire amount except taxes, a
5 customer facility charge, if any, and a mileage charge, if any, that
6 a renter must pay to hire or lease the vehicle for the period of time
7 to which the rental rate applies. A rental company shall not charge
8 in addition to the rental rate, taxes, a customer facility charge, if
9 any, and a mileage charge, if any, any fee that is required to be
10 paid by the renter as a condition of hiring or leasing the vehicle,
11 including, but not limited to, required fuel or airport surcharges
12 other than customer facility charges, nor a fee for transporting the
13 renter to the location where the rented vehicle will be delivered to
14 the renter.

15 (2) In addition to the rental rate, taxes, customer facility charges,
16 if any, and mileage charges, if any, a rental company may charge
17 for an item or service provided in connection with a particular
18 rental transaction if the renter could have avoided incurring the
19 charge by choosing not to obtain or utilize the optional item or
20 service. Items and services for which the rental company may
21 impose an additional charge include, but are not limited to, optional
22 insurance and accessories requested by the renter, service charges
23 incident to the renter's optional return of the vehicle to a location
24 other than the location where the vehicle was hired or leased, and
25 charges for refueling the vehicle at the conclusion of the rental
26 transaction in the event the renter did not return the vehicle with
27 as much fuel as was in the fuel tank at the beginning of the rental.
28 A rental company also may impose an additional charge based on
29 reasonable age criteria established by the rental company.

30 (3) A rental company shall not charge a fee for authorized
31 drivers in addition to the rental charge for an individual renter.

32 (4) If a rental company states a rental rate in print advertisement
33 or in a telephonic, in-person, or computer-transmitted quotation,
34 the rental company shall disclose clearly in that advertisement or
35 quotation the terms of mileage conditions relating to the advertised
36 or quoted rental rate, including, but not limited to, to the extent
37 applicable, the amount of mileage and gas charges, the number of
38 miles for which no charges will be imposed, and a description of
39 geographic driving limitations within the United States and Canada.

1 ~~(5) (A) When a rental rate is stated in an advertisement,~~
2 ~~quotation, or reservation in connection with a car rental at an airport~~
3 ~~where a customer facility charge is imposed, the rental company~~
4 ~~shall disclose clearly the existence and amount of the customer~~
5 ~~facility charge. For purposes of this subparagraph, advertisements~~
6 ~~include radio, television, other electronic media, and print~~
7 ~~advertisements. For purposes of this subparagraph, quotations and~~
8 ~~reservations include those that are telephonic, in-person, and~~
9 ~~computer-transmitted. If the rate advertisement is intended to~~
10 ~~include transactions at more than one airport imposing a customer~~
11 ~~facility charge, a range of fees may be stated in the advertisement.~~
12 ~~However, all rate advertisements that include car rentals at airport~~
13 ~~destinations shall clearly and conspicuously include a toll-free~~
14 ~~telephone number whereby a customer can be told the specific~~
15 ~~amount of the customer facility charge to which the customer will~~
16 ~~be obligated.~~

17 ~~(B) If a person or entity other than a rental car company,~~
18 ~~including a passenger carrier or a seller of travel services, advertises~~
19 ~~or quotes a rate for a car rental at an airport where a customer~~
20 ~~facility charge is imposed, that person or entity shall, provided~~
21 ~~that he, she, or it is provided with information about the existence~~
22 ~~and amount of the fee, to the extent not specifically prohibited by~~
23 ~~federal law, clearly disclose the existence and amount of the fee~~
24 ~~in any telephonic, in-person, or computer-transmitted quotation at~~
25 ~~the time of making an initial quotation of a rental rate and at the~~
26 ~~time of making a reservation of a rental car. If a rental car company~~
27 ~~provides the person or entity with rate and customer facility charge~~
28 ~~information, the rental car company is not responsible for the~~
29 ~~failure of that person or entity to comply with this subparagraph~~
30 ~~when quoting or confirming a rate to a third person or entity.~~

31 ~~(6) If a rental company delivers a vehicle to a renter at a location~~
32 ~~other than the location where the rental company normally carries~~
33 ~~on its business, the rental company shall not charge the renter an~~
34 ~~amount for the rental for the period before the delivery of the~~
35 ~~vehicle. If a rental company picks up a rented vehicle from a renter~~
36 ~~at a location other than the location where the rental company~~
37 ~~normally carries on its business, the rental company shall not~~
38 ~~charge the renter an amount for the rental for the period after the~~
39 ~~renter notifies the rental company to pick up the vehicle.~~

~~(o) A rental company shall not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology, except in the following circumstances:~~

~~(1) (A) When the equipment is used by the rental company only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:~~

~~(i) The renter or law enforcement has informed the rental company that the vehicle is missing or has been stolen or abandoned.~~

~~(ii) The rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.~~

~~(iii) The rental company discovers the rental vehicle has been stolen or abandoned, and, if stolen, it shall report the vehicle stolen to law enforcement by filing a stolen vehicle report, unless law enforcement has already informed the rental company that the vehicle is missing or has been stolen or abandoned.~~

~~(B) If electronic surveillance technology is activated pursuant to subparagraph (A), a rental company shall maintain a record, in either electronic or written form, of information relevant to the activation of that technology. That information shall include the rental agreement, including the return date, and the date and time the electronic surveillance technology was activated. The record shall also include, if relevant, a record of written or other communication with the renter, including communications regarding extensions of the rental, police reports, or other written communication with law enforcement officials. The record shall be maintained for a period of at least 12 months from the time the record is created and shall be made available upon the renter's request. The rental company shall maintain and furnish explanatory codes necessary to read the record. A rental company shall not be required to maintain a record if electronic surveillance technology is activated to recover a rental vehicle that is stolen or missing at a time other than during a rental period.~~

~~(2) In response to a specific request from law enforcement pursuant to a subpoena or search warrant.~~

~~(3) This subdivision does not prohibit a rental company from equipping rental vehicles with GPS-based technology that provides navigation assistance to the occupants of the rental vehicle, if the~~

1 rental company does not use, access, or obtain information relating
2 to the renter's use of the rental vehicle that was obtained using
3 that technology, except for the purposes of discovering or repairing
4 a defect in the technology and the information may then be used
5 only for that purpose.

6 ~~(4) This subdivision does not prohibit a rental company from~~
7 ~~equipping rental vehicles with electronic surveillance technology~~
8 ~~that allows for the remote locking or unlocking of the vehicle at~~
9 ~~the request of the renter, if the rental company does not use, access,~~
10 ~~or obtain information relating to the renter's use of the rental~~
11 ~~vehicle that was obtained using that technology, except as~~
12 ~~necessary to lock or unlock the vehicle.~~

13 ~~(5) This subdivision does not prohibit a rental company from~~
14 ~~equipping rental vehicles with electronic surveillance technology~~
15 ~~that allows the company to provide roadside assistance, such as~~
16 ~~towing, flat tire, or fuel services, at the request of the renter, if the~~
17 ~~rental company does not use, access, or obtain information relating~~
18 ~~to the renter's use of the rental vehicle that was obtained using~~
19 ~~that technology except as necessary to provide the requested~~
20 ~~roadside assistance.~~

21 ~~(6) This subdivision does not prohibit a rental company from~~
22 ~~obtaining, accessing, or using information from electronic~~
23 ~~surveillance technology for the sole purpose of determining the~~
24 ~~date and time the vehicle is returned to the rental company, and~~
25 ~~the total mileage driven and the vehicle fuel level of the returned~~
26 ~~vehicle. This paragraph, however, shall apply only after the renter~~
27 ~~has returned the vehicle to the rental company, and the information~~
28 ~~shall only be used for the purpose described in this paragraph.~~

29 ~~(p) A rental company shall not use electronic surveillance~~
30 ~~technology to track a renter in order to impose fines or surcharges~~
31 ~~relating to the renter's use of the rental vehicle.~~

32 ~~(q) A renter may bring an action against a rental company for~~
33 ~~the recovery of damages and appropriate equitable relief for a~~
34 ~~violation of this section. The prevailing party shall be entitled to~~
35 ~~recover reasonable attorney's fees and costs.~~

36 ~~(r) A rental company that brings an action against a renter for~~
37 ~~loss due to theft of the vehicle shall bring the action in the county~~
38 ~~in which the renter resides or, if the renter is not a resident of this~~
39 ~~state, in the jurisdiction in which the renter resides.~~

1 ~~(s) A waiver of any of the provisions of this section shall be~~
2 ~~void and unenforceable as contrary to public policy.~~

3 ~~(t) (1) A rental company's disclosure requirements shall be~~
4 ~~satisfied for renters who are enrolled in the rental company's~~
5 ~~membership program if all of the following conditions are met:~~

6 ~~(A) Prior to the enrollee's first rental as a participant in the~~
7 ~~program, the renter receives, in writing, the following:~~

8 ~~(i) All of the disclosures required by paragraph (1) of subdivision~~
9 ~~(g), including the terms and conditions of the rental agreement~~
10 ~~then in effect.~~

11 ~~(ii) An Internet Web site address, as well as a contact number~~
12 ~~or address, where the enrollee can learn of changes to the rental~~
13 ~~agreement or to the laws of this state governing rental agreements~~
14 ~~since the effective date of the rental company's most recent~~
15 ~~restatement of the rental agreement and distribution of that~~
16 ~~restatement to its members.~~

17 ~~(B) At the commencement of each rental period, the renter is~~
18 ~~provided, on the rental record or the folder in which it is inserted,~~
19 ~~with a printed notice stating that he or she had either previously~~
20 ~~selected or declined an optional damage waiver and that the renter~~
21 ~~has the right to change preferences.~~

22 ~~(C) At the commencement of each rental period, the rental~~
23 ~~company provides, on the rearview mirror, a hanger on which a~~
24 ~~statement is printed, in a box, in at least 12-point boldface type,~~
25 ~~notifying the renter that the collision damage waiver offered by~~
26 ~~the rental company may be duplicative of coverage that the~~
27 ~~customer maintains under his or her own policy of motor vehicle~~
28 ~~insurance. If it is not feasible to hang the statement from the~~
29 ~~rearview mirror, it shall be hung from the steering wheel.~~

30 ~~The hanger shall provide the renter a box to initial if he or she~~
31 ~~(not his or her employer) has previously accepted or declined the~~
32 ~~collision damage waiver and that he or she now wishes to change~~
33 ~~his or her decision to accept or decline the collision damage waiver,~~
34 ~~as follows:~~

35 ~~—☐ If I previously accepted the collision damage waiver, I~~
36 ~~now decline it.~~

37 ~~—☐ If I previously declined the collision damage waiver, I now~~
38 ~~accept it."~~

39 ~~The hanger shall also provide a box for the enrollee to indicate~~
40 ~~whether this change applies to this rental transaction only or to all~~

1 future rental transactions. The hanger shall also notify the renter
2 that he or she may make that change, prior to leaving the lot, by
3 returning the form to an employee designated to receive the form
4 who is present at the lot where the renter takes possession of the
5 car, to receive any change in the rental agreement from the renter.

6 (2) (A) This subdivision is not effective unless the employee
7 designated pursuant to subparagraph (E) of paragraph (8) of
8 subdivision (a) is actually present at the required location.

9 (B) This subdivision does not relieve the rental company from
10 the disclosures required to be made within the text of a contract
11 or holder in which the contract is placed; in or on an advertisement
12 containing a rental rate; or in a telephonic, in-person, or
13 computer-transmitted quotation or reservation.

14 (u) The amendments made to this section during the 2001-02
15 Regular Session of the Legislature do not affect litigation pending
16 on or before January 1, 2003, alleging a violation of Section 22325
17 of the Business and Professions Code as it read at the time the
18 action was commenced.

19 (v) This section shall become operative on January 1, 2015.